



REAL ESTATE INVESTMENT TRUST

20 YEARS STRONG GROWING BEYOND

Integrated Annual Report 2025



Inside This Report

14th Annual General Meeting

VENUE

Ballroom 1, Sheraton Petaling Jaya Hotel,
Jalan Utara C, 46200 Petaling Jaya,
Selangor Darul Ehsan

DATE AND TIME

Thursday | 30 April 2026, 10.00 a.m.

RATIONALE

Celebrating two decades of resilience and achievement, Axis-REIT stands as a testament to strength, disciplined growth, and sustainable value creation. The tagline “20 Years Strong, Growing Beyond” encapsulates its proven track record, diversified portfolio, and commitment to enhancing asset quality, advancing ESG priorities, and capturing emerging opportunities in an evolving real estate landscape.

The cover design reinforces this message through the commanding image of Crystal Plaza, symbolising the strength and quality of its established portfolio. Illuminated by a rising sun, the visual conveys renewal, optimism, and forward momentum – marking not just a milestone, but the beginning of a new growth chapter. Together, the design and message affirm that Axis-REIT’s legacy is not only preserved but continuously strengthened, positioning Axis-REIT to build on its foundation and deliver lasting value well beyond its 20-year milestone.



About Our Report

02



Who We Are & What We Do

04

About Axis-REIT	04
Salient Features of Axis-REIT	06
Axis-REIT Structure	07
Corporate Information	08
Axis Team Organisational Structure	10
Board of Directors	12
Board of Directors’ Profile	14
Key Management Profile	23
Property Management Team	27



Progressing For Better

28

Letter to Unitholders from the Chairman & CEO	28
Manager’s Discussion and Analysis	35
• CEO’s Review	35
• Financial Review	36
• Operations Review	49
• Investment Review	55
• Investor Engagement, Research, and Media Coverage	59
• Market Outlook & Priority	64
Report on Shariah Compliance	65
Shariah Adviser’s Report	66



Driving Value Creation

67

Operating Environment	67
Stakeholder Engagement	73
Materiality Assessment	77
Risks and Opportunities	82
Corporate Strategy 2026-2027	92
Value Creation & Sustainable Development Goals	100
Management of Material Sustainability Matters	102
• Economic	102
• Governance	125
• Environmental	132
• Social	150
Independent Limited Assurance Report on Selected Key Performance Indicators	175
Bursa Malaysia Prescribed Table	179



Leadership That Creates Value

191

Corporate Governance Overview Statement	191
Audit Committee Report	205
Statement on Risk Management and Internal Control	210
Directors' Responsibility Statement	215

Financial Statements

216

Manager's Report	217
Statement of Financial Position	221
Statement of Profit or Loss and Other Comprehensive Income	222
Statement of Changes in Net Asset Value	224
Statement of Cash Flows	225
Notes to the Financial Statements	226
Statement by the Manager	275
Statutory Declaration	276
Trustee's Report	277
Independent Auditors' Report	278

Additional Information

282

Property Portfolio Details	282
Unitholders' Statistics	285
Property Market Overview 2025	287
ESG Performance Data	333
GRI Content Index	338
SASB Content Index	342
Frequently Asked Questions (FAQ)	344
Glossary	347

Notice of Fourteenth Annual General Meeting

348

Instrument of Proxy

353



Scan code
to access Axis-REIT's website
www.axis-reit.com.my/investor/agm.php

ABOUT OUR REPORT

This is our seventh Integrated Annual Report since we embarked on our integrated reporting journey in 2019. The year 2025 also marks a significant milestone for Axis-REIT, as we celebrate our 20th anniversary. Over the past two decades, we have continued to strengthen the resilience of our portfolio by embedding sustainability considerations into Axis-REIT's strategy and business model. Through this approach, we create shared value for all our stakeholders over the short-, medium-, and long-term, while reinforcing our position as Malaysia's leading industrial real estate investment trust.

In line with Axis-REIT's commitment to sustainability and the environment, a digital version of our IAR2025 is available at <https://www.axis-reit.com.my/annualreport2025>.



Scan the QR code or click on the link for a digital experience of this Report.



REPORTING PHILOSOPHY & FRAMEWORK

This Integrated Annual Report 2025 (IAR2025 or Report) has been prepared by Axis REIT Managers Berhad (ARMB or the Manager) on behalf of Axis Real Estate Investment Trust (Axis-REIT or the Fund), per the Integrated Reporting Framework (Framework). Through the adoption of the Framework, we aim to deliver a transparent, concise, and balanced overview of the Fund's financial and non-financial performances.

Other references used in the development of the IAR2025 include:

- Bursa Malaysia Securities Berhad's (Bursa Securities) Main Market Listing Requirements (MMLR)
- Bursa Securities' Sustainability Reporting Guide (3rd edition)
- National Sustainability Reporting Framework (NSRF)
- FTSE4Good Bursa Malaysia Index's Environmental, Social and Governance (ESG) indicators
- GRESB
- Securities Commission Malaysia's (SC) Guidelines on Listed Real Estate Investment Trusts (REIT)
- SC's Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines)
- Malaysian Code on Corporate Governance (MCCG)
- Malaysian Financial Reporting Standards (MFRS)
- International Financial Reporting Standards (IFRS)
- Global Reporting Initiative (GRI) Standards

FIRST-TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

In this IAR2025, we are adopting the IFRS Sustainability Disclosure Standards for the first time for the financial year ended 31 December 2025 (FYE2025). Accordingly, for the annual reporting period beginning 1 January 2025, the Manager has applied the following standards:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 Climate-related Disclosures.

As at 31 December 2025, no other IFRS Sustainability Disclosure Standards have been issued by the International Sustainability Standards Board (ISSB). The standards provide transition reliefs for entities applying them for the first time. In addition, the MMLR grant further transition reliefs to Main Market-listed issuers. The Manager has elected to apply these transition reliefs and, as a result, is not required to present comparative information for this initial reporting period. Nevertheless, we have voluntarily presented comparative information for certain indicators disclosed in the previous reporting period.

SCOPE AND BOUNDARY

Reporting Period

Our reports are produced and published annually. The IAR2025 covers both financial and non-financial information during the financial year commencing 1 January 2025 to 31 December 2025, unless otherwise stated.

Reporting Boundary

This Report covers the primary activities of the Fund. As the Fund does not employ personnel directly, all operational and management functions are carried out by the Manager and the Property Management Team, with oversight provided by the Trustee of Axis-REIT. Accordingly, any disclosures relating to employees in this Report pertain solely to personnel of the Manager and the Property Management Team.

Where indicated, certain data disclosures are confined to common areas within multi-tenanted properties that fall under the Manager's direct operational responsibility.

Target Readers

This Report is primarily intended to address the information requirements of Axis-REIT's Unitholders/investors. Information relevant to the way we create value for other key stakeholders is also present.

Connectivity

This Report contains the sustainability-related financial information of the Fund for FYE2025.

Sustainability reporting within this IAR2025 makes connections with other reports, including the financial statements, to present a cohesive view of how relevant sustainability-related risks and opportunities (SROs) could impact the Fund's financial position, performance, and cash flows over the short-, medium-, and long-term.

Materiality, Risk & Strategy

In 2025, we reviewed the material sustainability matters that are significant and relevant to both Axis-REIT and our stakeholders. Our materiality assessment exercise is conducted biennially and reviewed annually to ensure the identification of sustainability matters reflects our current operating environment. Based on the sustainability matters identified from the materiality matrix,

ABOUT OUR REPORT

we have reviewed and updated our Risk Register and business strategy to ensure the non-financial risks and opportunities are incorporated into the Manager’s risk management approaches and Corporate Strategy 2026-2027. Details of our review of the materiality assessment exercise conducted in 2024 and ESG disclosures are available in the Driving Value Creation section of this Report.

EXCLUSIONS OR CHANGES IN REPORTING

There have been no major exclusions or changes in reporting since the Integrated Annual Report 2024, except for the adoption of NSRF requirements. There have been restatements of data and figures due to the changes in the calculation methodologies in the Management of Material Sustainability Matters section. The restatements have been highlighted in the respective sections.

BOARD RESPONSIBILITY STATEMENT

ARMB’s Board of Directors (Board) acknowledges its responsibilities in ensuring the integrity of this Report, which in the Board’s opinion, addresses issues that are material to the Fund’s ability to create value and fairly presents its integrated performance. This Report was approved by the Board on 27 February 2026.

ASSURANCE STATEMENT

Since FYE2023, we have obtained independent limited assurance to enhance the credibility of selected non-financial indicators and disclosures. For FYE2025, we re-engaged Baker Tilly Monteiro Heng PLT to conduct the sustainability assurance engagement (Sustainability Assurance). Their Independent Limited Assurance Report can be found on page 175. We will continue to undertake independent limited assurance on other non-financial indicators and disclosures.

FORWARD-LOOKING STATEMENTS

This Report contains forward-looking statements concerning the Fund’s financial position, results, operations, and businesses. These statements and forecasts involve risk and uncertainty, as they relate to events and depend on circumstances that occur in the future. As our business operates in a perpetually shifting and ever-changing environment, actual results or developments could differ from those expressed or implied in these forward-looking statements. Consequently, all forward-looking statements have not been reviewed or reported on by Axis-REIT’s external auditors.

FEEDBACK & CONTACT POINT

Your feedback is important to us and we welcome any queries you may have. Please visit www.axis-reit.com.my for more information or contact us via email at info@axis-reit.com.my.

ICON NAVIGATION

Six Business Capitals

-  Financial Capital
-  Social & Relationship Capital
-  Intellectual Capital
-  Manufactured Capital
-  Human Capital
-  Natural Capital

Strategic Pillars

-  Real Estate
-  Capital Management
-  Facilities Management
-  Investment
-  Development
-  Governance

Material Sustainability Matters

-  Economic Performance
-  Business Ethics
-  Occupational Health & Safety
-  Tenant Satisfaction
-  Cybersecurity & Data Protection
-  Talent Development
-  Quality Assets & Services - New Acquisitions
-  Energy & Carbon Footprint
-  Diversity & Inclusion
-  Quality Assets & Services - Existing Assets
-  Water Management
-  Human Rights & Labour Practices
-  Responsible Supply Chain Management
-  Waste Management
-  Community Activity & Partnership

Risks

-  Global
-  Financial
-  Real Estate Management
-  Investment
-  Human Resource
-  Development
-  Environmental
-  Information Technology

Further information is available where you see these icons:

-  More information is available online
-  Additional information can be found within the Report

ABOUT AXIS-REIT

Our Vision

To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.



Our Mission

To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.



**Axis-REIT is
Malaysia's first REIT,
listed on Bursa Securities on
3 August 2005,
to own and invest primarily
in industrial and
office real estate.**



Menara Axis

The Fund was constituted by a Deed and is principally regulated by applicable securities laws, the SC's Guidelines on Listed REITs, ICMPs Guidelines, the MMLR of Bursa Securities, the rules of the depository and relevant taxation laws and rulings. On 15 June 2005, the Deed constituting Axis-REIT was executed between ARMB and RHB Trustees Berhad. The Deed was registered with the SC on 16 June 2005, which marked the establishment of Axis-REIT in Malaysia. Axis-REIT was thereafter reclassified as an Islamic REIT on 11 December 2008. The duration of Axis-REIT shall be the earlier of the occurrence of any circumstance as stated in the Deed, or 999 years from the establishment of Axis-REIT.

ABOUT AXIS-REIT

OUR PROPERTY MAP

NO. OF PROPERTIES BY REGION



NO. OF PROPERTIES BY TYPE



69
TOTAL PROPERTIES

The primary objectives of the Fund are:

- To provide Unitholders with a stable and growing distribution of income.
- To achieve long-term growth in the net asset value per Unit.

SIX PRINCIPLES OF MANAGEMENT

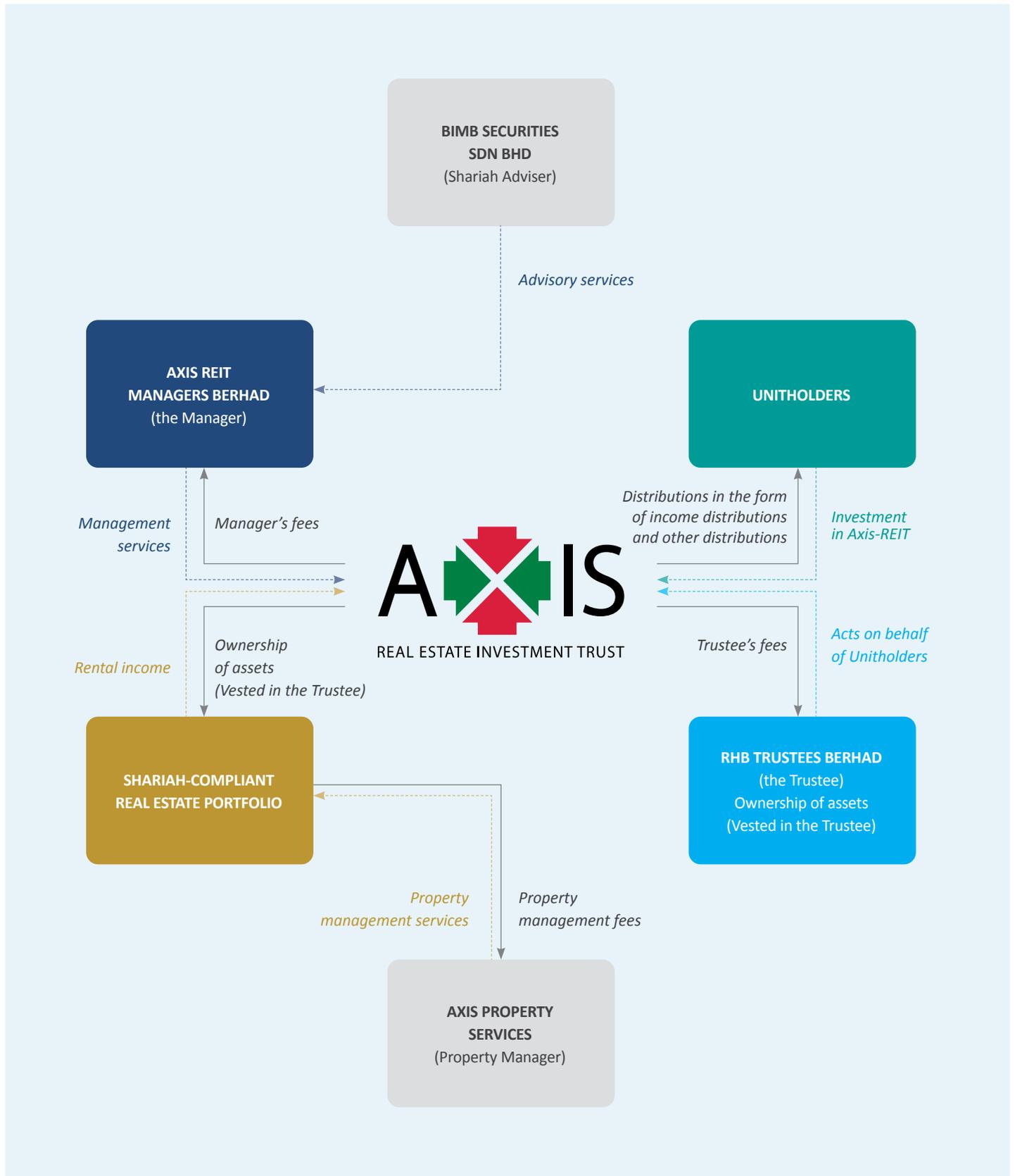
The Manager is committed to deliver long-term sustainable distributions and capital stability through its 6 principles of management:

Yield-accretive asset purchases	6 Principles of Management	Prudent capital and risk management
Excellent investor relations		Proactive asset and tenant management
Upholding the highest levels of corporate governance		Development of human capital

SALIENT FEATURES OF AXIS-REIT

Fund Category	Real Estate Investment Trust				
Fund Type	Income and Growth				
Vision of the Fund	To successfully benchmark Axis-REIT against the world's most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors				
Mission of the Fund	To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values				
Number of Units in Issue	2,024,894,950 Units				
Market Capitalisation	RM3,887,798,000				
Assets Under Management	RM5,356,293,000				
Net Asset Value	RM3,423,457,000				
Permissible Investments	At least 75% of the Fund's total asset value must be invested in real estate that generates recurrent rental income at all times				
Initial Public Offering Retail Price	RM0.625 per Unit (equivalent to RM1.25 per Unit prior to the Unit Split)				
Financial Year End	31 December				
Distribution Policy	<p>Quarterly income distribution:</p> <table border="1"> <tr> <td>1Q to 3Q</td> <td>at least 95% of the current financial year-to-date distributable income</td> </tr> <tr> <td>4Q</td> <td>at least 99% of the current financial year-to-date distributable income</td> </tr> </table>	1Q to 3Q	at least 95% of the current financial year-to-date distributable income	4Q	at least 99% of the current financial year-to-date distributable income
1Q to 3Q	at least 95% of the current financial year-to-date distributable income				
4Q	at least 99% of the current financial year-to-date distributable income				
Financing Limitations	Not exceeding 50% of the total asset value of the Fund				
Revaluation Policy	The investment properties shall be revalued at least once a financial year by independent registered valuers				
Quotation	Main Market of Bursa Securities				
Bursa Securities Stock Number	AXREIT 5106				

AXIS-REIT STRUCTURE



CORPORATE INFORMATION

Board of Directors of the Manager

Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar Bin Abdullah
Executive Chairman

Stephen 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
Stephen Tew Peng Hwee
@ Teoh Peng Hwee

Takim Khan Myhre
Alternate Director to
Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar Bin Abdullah



Axis Aerotech Centre @ Subang

CORPORATE INFORMATION

MANAGER OF AXIS-REIT

Axis REIT Managers Berhad

EXECUTIVE COMMITTEE OF THE MANAGER

Dato' Carl Gunnar Myhre

@ Dato' Abas Carl Gunnar Bin Abdullah

Chairman

Stephen Tew Peng Hwee

@ Teoh Peng Hwee

Leong Kit May

AUDIT COMMITTEE OF THE MANAGER

Lim Keng Hwee

Chairperson

Alvin Dim Lao

Devika A/P K Sothinathan

NOMINATION COMMITTEE OF THE MANAGER

Lim Keng Hwee

Chairperson

Stephen Tew Peng Hwee

@ Teoh Peng Hwee

Devika A/P K Sothinathan

REMUNERATION COMMITTEE OF THE MANAGER

Devika A/P K Sothinathan

Chairperson

Dato' Carl Gunnar Myhre

@ Dato' Abas Carl Gunnar Bin Abdullah

Stephen Tew Peng Hwee

@ Teoh Peng Hwee

MANAGER'S PRINCIPAL PLACE OF BUSINESS (HEADQUARTERS)

Penthouse, Menara Axis

No. 2, Jalan 51A/223

46100 Petaling Jaya

Selangor Darul Ehsan

Tel No : 603-7958 4882

Fax No : 603-7957 6881

MANAGER'S REGISTERED OFFICE

802, 8th Floor

Block C, Kelana Square

17 Jalan SS7/26

47301 Petaling Jaya

Selangor Darul Ehsan

Tel No : 603-7803 1126

Fax No : 603-7806 1387

Email : eadvisory@epsilon.com

COMPANY SECRETARY OF THE MANAGER

Rebecca Leong Siew Kwan

(SSM PC No. 202008000587)

(MAICSA 7045547)

TRUSTEE OF AXIS-REIT

RHB Trustees Berhad

Level 10, Tower One

RHB Centre

Jalan Tun Razak

50400 Kuala Lumpur

Tel No : 603-9280 5933

Fax No : 603-9280 5934

Website : www.rhbgroup.com

Email : rhbt.reits@rhbgroup.com

SHARIAH ADVISER OF AXIS-REIT

BIMB Securities Sdn Bhd

Level 32, Menara Bank Islam

No. 22 Jalan Perak, 50450 Kuala Lumpur

Tel No : 603-2708 3000

Website : www.bimbsec.com.my

Email : shariah.bimbsec@bankislam.com.my

REGISTRARS OF AXIS-REIT

Boardroom Share Registrars Sdn Bhd

11th Floor, Menara Symphony

No. 5, Jalan Prof. Khoo Kay Kim

Seksyen 13

46200 Petaling Jaya

Selangor Darul Ehsan

Tel No : 603-7890 4700

Fax No : 603-7890 4670

Website : www.boardroomlimited.com

Email : bsr.helpdesk@boardroomlimited

.com

PROPERTY MANAGER OF AXIS-REIT

Axis Property Services

Penthouse, Menara Axis

No. 2, Jalan 51A/223

46100 Petaling Jaya

Selangor Darul Ehsan

AUDITORS OF AXIS-REIT

KPMG PLT

Level 10, KPMG Tower

No. 8, First Avenue, Bandar Utama

47800 Petaling Jaya

Selangor Darul Ehsan

INTERNAL AUDITORS OF AXIS-REIT

Baker Tilly Monteiro

Heng Governance Sdn Bhd

Baker Tilly Tower, Level 10

Tower 1, Avenue 5

Bangsar South City

59200 Kuala Lumpur

TAX AGENTS OF AXIS-REIT

PricewaterhouseCoopers Taxation
Services Sdn Bhd

Level 10, Menara TH 1 Sentral

Jalan Rakyat

Kuala Lumpur Sentral

P.O. Box 10192

50706 Kuala Lumpur

PRINCIPAL BANKERS OF AXIS-REIT

Maybank Islamic Berhad

CIMB Islamic Bank Berhad

HSBC Amanah Bank Malaysia Berhad

Public Islamic Bank Berhad

OCBC Al-Amin Bank Berhad

Alliance Islamic Bank Berhad

RHB Islamic Bank Berhad

Sumitomo Mitsui Banking Corporation

Malaysia Berhad

STOCK NAME AND STOCK CODE

AXREIT 5106

CONTACT DETAILS

Penthouse, Menara Axis

No. 2, Jalan 51A/223

46100 Petaling Jaya

Selangor Darul Ehsan

Tel No : 603-7958 4882

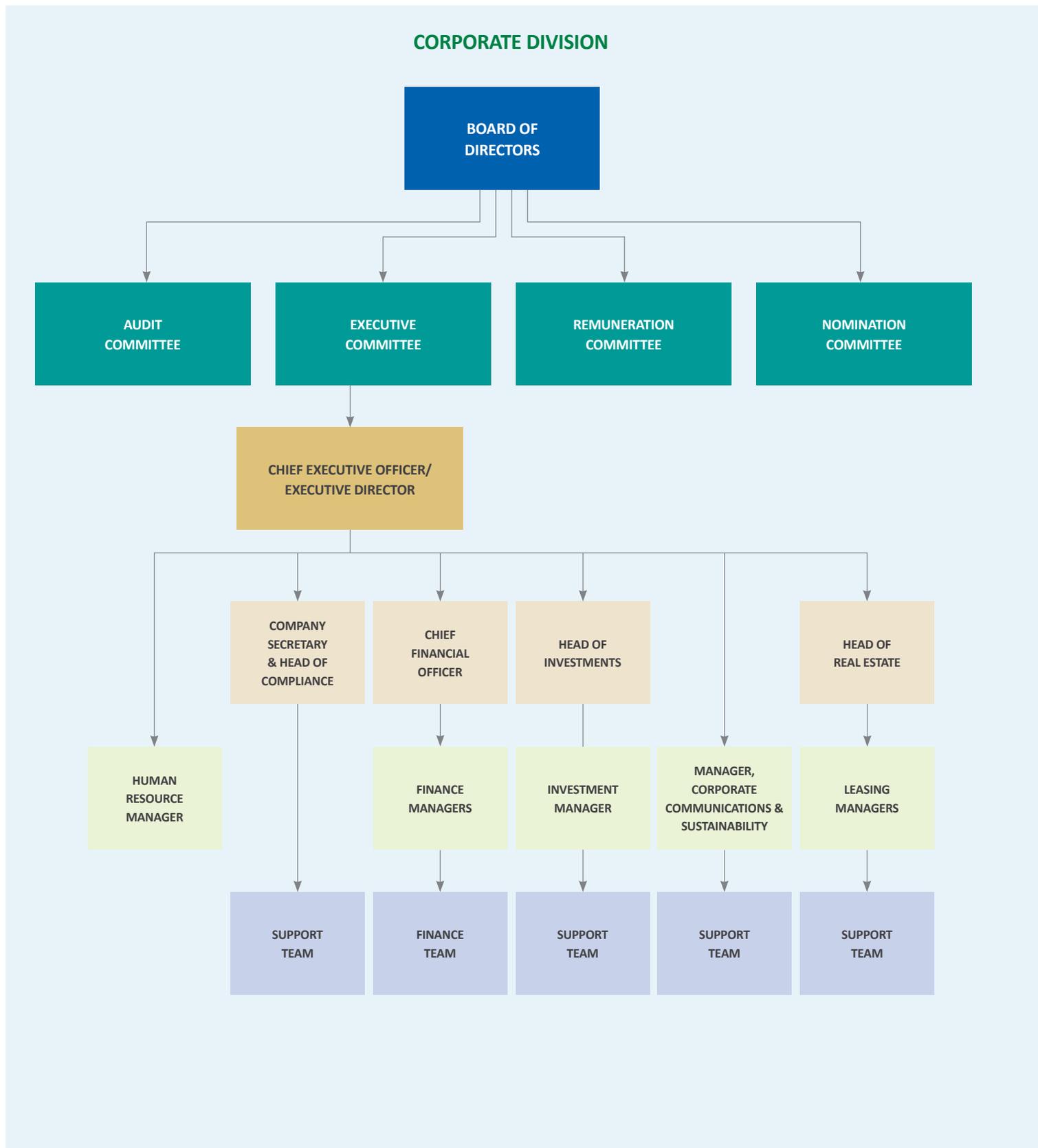
Fax No : 603-7957 6881

Email : info@axis-reit.com.my

WEBSITE

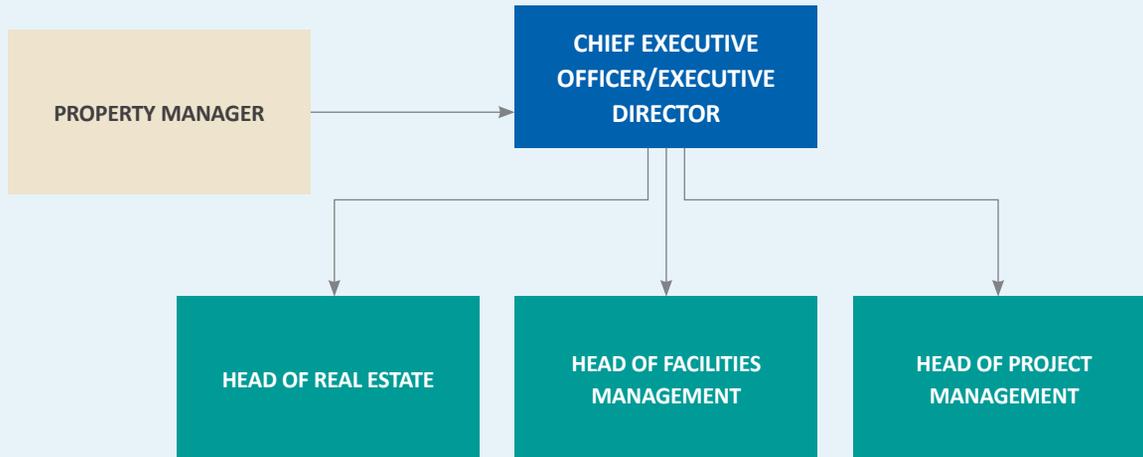
www.axis-reit.com.my

AXIS TEAM ORGANISATIONAL STRUCTURE

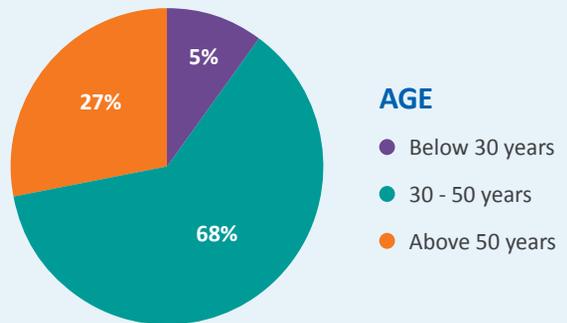
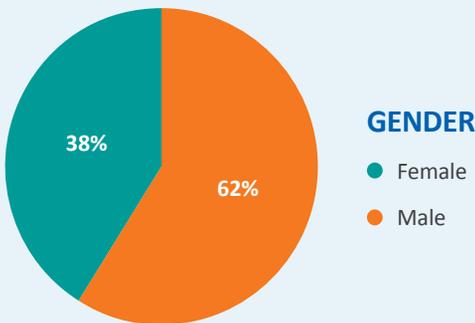
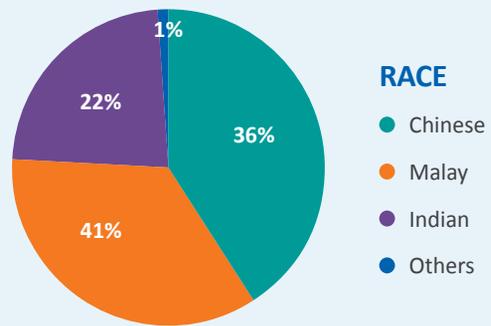
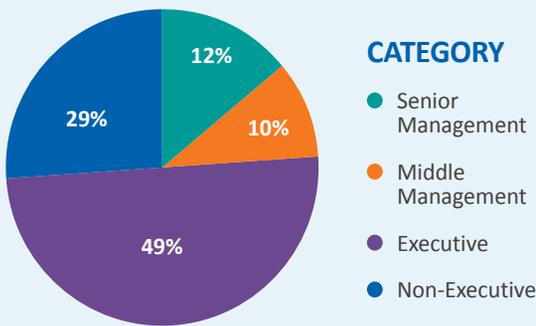


AXIS TEAM ORGANISATIONAL STRUCTURE

PROPERTY MANAGEMENT DIVISION

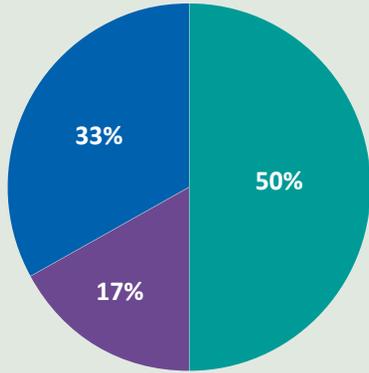


AXIS TEAM PROFILE

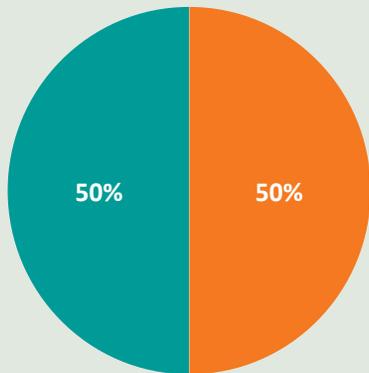


BOARD OF DIRECTORS

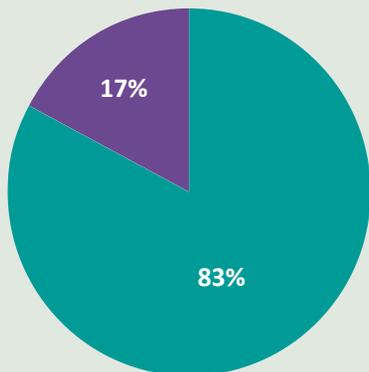
BOARD PROFILE



RACE ● Chinese ● Indian ● Others



GENDER ● Female ● Male



AGE ● Above 50 years ● Below 50 years

Note: The Board Profile does not include the 3 Alternate Directors



Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah
Executive Chairman



Stephen Tew Peng Hwee @ Teoh Peng Hwee
Non-Independent Non-Executive Deputy Chairman



Leong Kit May
Chief Executive Officer/Executive Director

BOARD OF DIRECTORS



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 Stephen Tew Peng Hwee @ Teoh Peng Hwee



Takim Khan Myhre
Alternate Director to Dato' Abas Carl Gunnar

BOARD OF DIRECTORS' PROFILE



Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah

Executive Chairman

Academic/Professional Qualifications

- Diploma in Chemistry, University of Gothenburg, Sweden
- Diploma in Marketing, University of Oslo, Norway

Working Experience/Occupation

Dato' Abas Carl Gunnar is the Executive Chairman of ARMB. He was the Managing Director of Jotun Powder Coatings (M) Sdn Bhd from 1985 to 1993.

Dato' Abas Carl Gunnar made his initial foray into property development in Malaysia in 1989, through his involvement in the development of a build-and-lease project with the multinational firm APV Hills & Mills. In 1992, he collaborated with Mr. Stephen Tew Peng Hwee and other investors to develop Crystal Plaza. This was followed by the development of Axis Business Park, Axis Plaza, and Menara Axis, which collectively formed the core property portfolio of Axis-REIT at the time of its initial public offering.

As Executive Chairman, Dato' Abas Carl Gunnar leads the Board on strategic matters, overseeing the implementation of business strategies and operational objectives of Axis-REIT. He previously served as the Executive Deputy Chairman of the Board from 20 November 2006, assuming the role of Executive Chairman on 30 May 2023.

Dato' Abas Carl Gunnar has interests in other business entities. He is a director and shareholder of several private companies involved in property development, property investment, and agarwood (*gaharu*) plantations. He also has interests in a fund management company that specialises in global equities based in New York, United States of America.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Date First Appointed to the Board

15 March 2005

Board Committee Memberships

- Chairman of the Executive Committee
- Member of the Remuneration Committee

Age | Gender | Nationality

66 | Male | Norwegian

(Permanent Resident of Malaysia)

BOARD OF DIRECTORS' PROFILE



Stephen Tew Peng Hwee @ Teoh Peng Hwee

Non-Independent Non-Executive Deputy Chairman

Academic/Professional Qualifications

- Diploma from the Institute of Marketing, United Kingdom
- Registered Estate Agent and Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience/Occupation

Stephen began his career as a real estate agent in 1982, and over the years, built his practice as a specialist in office and industrial property segments. In 1992, he established Hectares & Stratas Sdn Bhd, a real estate agency focused on commercial and industrial real estate markets.

Stephen has been instrumental in the development of many purpose-built buildings that have attracted numerous multinational companies as tenants. He has also curated quality property portfolios for investment income.

In 1992, he teamed up with Dato' Abas Carl Gunnar and other investors to develop Crystal Plaza. This was followed by the development of Axis Business Park, Axis Plaza, and Menara Axis, which collectively formed the core property portfolio of Axis-REIT at the time of its initial public offering.

Stephen had previously served as a Non-Independent Non-Executive Director on the Board of ARMB until his redesignation as Non-Independent Non-Executive Deputy Chairman on 30 May 2023. He is also a director and shareholder of several private companies involved in real estate investments, including retail malls, hotels, and property development projects. He has interests in solar energy generation companies and owns two well-known trading companies, Seng Hup Lightings and Victron Outdoor Furniture.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Past President of the Malaysian Institute of Estate Agents (MIEA)
- Former Board Member of the Board of Valuers, Appraisers and Estate Agents (1998-2004)

Awards Received

- Lifetime Achievement Award 2015, MIEA

Date First Appointed to the Board

25 October 2004

Board Committee Memberships

- Member of the Executive Committee
- Member of the Remuneration Committee
- Member of the Nomination Committee

Age | Gender | Nationality

64 | Male | Malaysian

BOARD OF DIRECTORS' PROFILE



LEONG KIT MAY

Chief Executive Officer/Executive Director

Academic/Professional Qualifications

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology University, Australia
- Certified Practising Accountant, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience/Occupation

Kit May is the Chief Executive Officer (CEO) and Executive Director of ARMB. With over two decades of industry experience, she is well-regarded in the Malaysian REIT industry and is the current Chairman of the Malaysian REIT Managers Association (MRMA).

Kit May began her career at Ernst & Young, where she gained a strong foundation in auditing and accounting. In 2001, she transitioned to the REIT industry within the UOA Group of Companies, taking on roles in property development, construction, and investments. She was also actively involved in the successful listing of UOA REIT in 2005.

In 2006, Kit May joined ARMB and was promoted to Chief Financial Officer in 2008. In the same year, she successfully spearheaded the conversion of Axis-REIT into Malaysia's first Islamic Office/Industrial REIT. She continued to assume greater management responsibilities within ARMB, and in November 2011, was appointed to the Board as an Executive Director. Identified as a key talent in the Board's succession plans, she was promoted to Chief

Operating Officer in 2015 and subsequently assumed the role of CEO on 1 January 2016.

Kit May continues to lead Axis-REIT to new heights as the Fund extends its leadership as an owner, manager, and developer of industrial properties in Malaysia. The Fund has achieved continued growth and operational resilience under her guidance. She has also been instrumental in driving the Fund's portfolio expansion in property development, having actively overseen the sourcing, implementation, and completion of five development projects to-date.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Current Chairman of the MRMA
- Past Industry Adviser for University of Reading Malaysia's BSc Real Estate Programme

Awards Received

- Best of the Breeds REITs Awards 2024: Best CEO (Malaysia) – Platinum
- KSI Malaysian Property Icon Leadership Award 2023
- Best of the Breeds REITs Awards 2023: Best CEO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CEO (Malaysia)
- MIRA Investor Relations Awards 2020: Best CEO for IR

Date First Appointed to the Board

15 November 2011

Board Committee Memberships

- Member of the Executive Committee

Age | Gender | Nationality

49 | Female | Malaysian

BOARD OF DIRECTORS' PROFILE



ALVIN DIM LAO

Non-Independent Non-Executive Director

Academic/Professional Qualifications

- Bachelor of Science in Information Technology and Statistics, University of Western Australia, Australia
- Master of Business Administration, Sloan School of Management at the Massachusetts Institute of Technology, United States of America

Working Experience/Occupation

Alvin is the President and Chief Executive Officer of D&L Industries Inc (D&L), a Philippine Stock Exchange-listed company involved in product customisation, development, and specialisation across the food, plastics, chemicals, and aerosol industries. He previously served as D&L's Chief Financial Officer and Executive Vice President, before assuming his current roles in August 2016.

In 2021, Alvin was appointed Executive Vice President and Treasurer of LBL Prime Properties Incorporated (LBL), a multifaceted property development company with industrial, hospitality, and commercial projects in the Philippines, specialising in leasing and managing commercial and industrial properties. Alvin had previously served as LBL's Chief Financial Officer.

Before joining D&L and its group of companies, Alvin worked for the Singapore National Computer Board, where he was seconded to the Computer Information Services Department of the Supreme Court of Singapore. He was part of the team that managed the computer networking requirements of the High Court and was involved in initiating the implementation of the Technology Court of Singapore.

Present Directorships in Public Companies and/or Listed Issuers

- D&L Industries Inc.

Other Memberships/Appointments/Involvements

- Former President and Member of the Entrepreneurs' Organization (Philippine Chapter)
- Member of the Wallace Business Forum
- President of the Technology Club of the Philippines (Massachusetts Institute of Technology Alumni in the Philippines)
- Member of the Management Association of the Philippines (MAP)
- Member of the Financial Executives Institute of the Philippines (FINEX)
- Member of Akademyang Filipino

Awards Received

- None

Date First Appointed to the Board

30 December 2011

Board Committee Memberships

- Member of the Audit Committee

Age | Gender | Nationality

54 | Male | Filipino

BOARD OF DIRECTORS' PROFILE



LIM KENG HWEE

Senior Independent Non-Executive Director

Academic/Professional Qualifications

- Member of the Malaysian Association of Certified Public Accountants
- Chartered Accountant, Malaysian Institute of Accountants

Working Experience/Occupation

Keng Hwee is the founder and Executive Director of IFS Advisory Services Sdn Bhd (IFS), a firm providing tax compliance, advisory, and consultancy services in accounting, payroll, and other outsourced services. She also manages the internal administrative and human resource departments at IFS.

Keng Hwee started her career at Kassim Chan & Co (now known as Deloitte Malaysia) in 1988. She gained five years of audit experience before making a switch to academia with a teaching position at Systematic Business Training Centre (now known as SEGi College Kuala Lumpur) in 1993.

She returned to corporate services in 2000, joining PFA Corporate Services Sdn Bhd (PFA) as an Assistant Manager in charge of accounting and payroll services. She was appointed Director of PFA in 2005, overseeing the Accounting and Payroll Outsourced Operations Unit.

In 2006, Keng Hwee moved to Symphony House Berhad (Symphony Group), heading the Accounting and Payroll Departments at its subsidiary, Symphony Incorporations Sdn Bhd. She was appointed Director of Symphony Share Registrars Sdn Bhd in the following year, taking charge of client management, operations, compliance, information systems, as well as human resource and administration. She helmed the company as Chief Executive Officer in 2009.

In 2011, she took on the role of Head of Compliance at Symphony HRS Sdn Bhd, Symphony Group's international payroll outsourcing arm, before venturing out to establish her own practice, IFS, in 2012.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Date First Appointed to the Board

1 June 2022

Board Committee Memberships

- Chairperson of the Audit Committee
- Chairperson of the Nomination Committee

Age | Gender | Nationality

61 | Female | Malaysian

BOARD OF DIRECTORS' PROFILE



DEVIKA A/P K SOTHINATHAN

Independent Non-Executive Director

Academic/Professional Qualifications

- Bachelor of Laws (LL.B Honours), University of Reading, United Kingdom
- Barrister-At-Law, The Honourable Society of Lincoln's Inn, United Kingdom
- Advocate & Solicitor of the High Court of Malaya

Working Experience/Occupation

Devika is a Partner at the law firm of Sothi & Ang, a position she has held since 2006. Her practice focuses on conveyancing, family law, corporate law, and matters related to probate and administration.

Devika began her pupillage at Shearn Delamore & Co in 1991 and commenced law practice as a Legal Assistant at Sothi & Ang on 12 June 1992. As a Legal Assistant, she mainly practiced civil litigation and conveyancing. She also handled family law and criminal cases, steadily taking on greater responsibilities at the firm. Her dedication and expertise culminated in her appointment as a Partner of the firm in 2006.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Date First Appointed to the Board

1 June 2022

Board Committee Memberships

- Chairperson of the Remuneration Committee
- Member of the Audit Committee
- Member of the Nomination Committee

Age | Gender | Nationality

58 | Female | Malaysian

BOARD OF DIRECTORS' PROFILE



JANCIS ANNE QUE LAO

Alternate Director to Alvin Dim Lao

Academic/Professional Qualifications

- Bachelor of Commerce, Curtin University of Technology, Western Australia, Australia
- Bachelor of Fine Arts (*Magna cum Laude*), Fashion Institute of Technology, New York, United States of America
- Finance for Executives Programme, INSEAD, Singapore

Working Experience/Occupation

Jancis is the Project Development Director of LBL Prime Properties Incorporated (LBL), a real estate development company that specialises in the development, leasing, and management of built-to-suit industrial, commercial, and hospitality properties in the Philippines.

As Project Development Director, she oversees the development of LBL's projects from conception to completion and handover. She drives the company's partnerships, facilitating collaborations and communication between all stakeholders to ensure efficiency and productivity across all functions.

Jancis also oversees LBL's hospitality portfolio, as well as its leasing and facilities management functions. She has been instrumental in developing and implementing LBL's sustainability culture and strategy, managing sustainability certifications and enhancing the resilience of its assets.

Prior to joining LBL, Jancis worked with Davis Brody Bond in New York, an architectural firm with a diverse portfolio of cultural, academic, research, civic, corporate, industrial, healthcare, and residential projects. She subsequently moved to Saks Fifth Avenue, taking on leasing and project management for luxury retail brands.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- Current Member of the Entrepreneurs' Organization (Philippine Chapter)

Awards Received

- None

Date First Appointed to the Board

20 October 2014

Board Committee Memberships

- Not applicable

Age | Gender | Nationality

49 | Female | Filipino

BOARD OF DIRECTORS' PROFILE



MAXINE TEOH SUI VERN

Alternate Director to Stephen Tew Peng Hwee @ Teoh Peng Hwee

Academic/Professional Qualifications

- Bachelor of Law (LL.B Honours), University of Bristol, United Kingdom
- Bar Professional Training Course, BPP University, United Kingdom
- Barrister-at-Law (Middle Temple), United Kingdom
- Advocate & Solicitor of the High Court of Malaya
- Company Secretary/Practising Certificate Holder registered under the Companies Commission of Malaysia (SSM)

Working Experience/Occupation

Maxine is a lawyer and the founder of Maxine & Co, a law firm specialising in property conveyancing, insurance disputes, fraud and asset recovery, and other legal matters.

As a conveyancing lawyer, she guides and advises property owners and buyers through the entire conveyancing process. She also advises clients on insurance-related matters and assists with property repossession cases.

Maxine is a Practising Certificate holder under the Companies Commission of Malaysia, which enables her to act as a Company Secretary under the Companies Act 2016. In this capacity, she administers the statutory and regulatory requirements of several companies.

Prior to establishing her own firm, Maxine undertook her conveyancing pupillage at Naqiz & Partners Advocates & Solicitors from 2017 to 2018. She then took on the role of a legal officer at Hectares & Stratas Sdn Bhd, a real estate agency focused on commercial and industrial real estate, before venturing out to set up Maxine & Co in 2020.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Date First Appointed to the Board

1 July 2020

Board Committee Memberships

- Not applicable

Age | Gender | Nationality

32 | Female | Malaysian

BOARD OF DIRECTORS' PROFILE



TAKIM KHAN MYHRE

*Alternate Director to Dato' Carl Gunnar Myhre @
Dato' Abas Carl Gunnar Bin Abdullah*

Academic/Professional Qualifications

- Bachelor of Arts in Politics, Occidental College, United States of America

Working Experience/Occupation

Takim began his career at ARMB in July 2023 as a Leasing Executive, gaining valuable hands-on experience in the leasing operations of Axis-REIT's property portfolio. In July 2024, he progressed to the Investments department as an Investments Executive, where he supports the team's investment activities.

Prior to joining ARMB, Takim graduated with a Bachelor of Arts in Politics from Occidental College, United States of America, in 2023.

Takim is currently pursuing a Master's in Real Estate at Kingston University London, United Kingdom.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Memberships/Appointments/Involvements

- None

Awards Received

- None

Date First Appointed to the Board

27 October 2023

Board Committee Memberships

- Not applicable

Age | Gender | Nationality

25 | Male | Malaysian

Other Disclosures

- Alvin Dim Lao is the representative of Alex Lee Lao, an ultimate major shareholder of ARMB, on the Board of ARMB. He is the nephew of Alex Lee Lao. Alvin's alternate director is Jancis Anne Que Lao, who is the daughter of Alex Lee Lao.
 - Maxine Teoh Sui Vern is the daughter of Stephen Tew Peng Hwee @ Teoh Peng Hwee.
 - Takim Khan Myhre is the son of Dato' Abas Carl Gunnar.

Except as disclosed above, none of the Directors of ARMB have any family relationship with any Director of ARMB and/or major shareholder of ARMB, and/or major Unitholder of Axis-REIT.

- Other than related party transactions which have been disclosed and reviewed by the Audit Committee, none of the Directors of ARMB have any conflict of interest or potential conflict of interest, including interest in any competing business with ARMB and/or Axis-REIT.
- None of the Directors of ARMB have been convicted of any offence (other than traffic offences) within the past five years.
- None of the Directors of ARMB have had any public sanction or penalty imposed on them by relevant regulatory bodies in 2025.
- Details of the attendance of each Director of ARMB at Board meetings held in 2025 are available in the Corporate Governance Overview Statement of this Report.
- Details of the unitholdings held by each Director of ARMB in Axis-REIT are available in the Unitholders' Statistics section of this Report.

KEY MANAGEMENT PROFILE



Leong Kit May

Chief Executive Officer | Executive Director

Age | Gender | Nationality

49 | Female | Malaysian

Date First Appointed to the Board

15 November 2011

Academic/Professional Qualifications

- Bachelor of Business (Accountancy), Royal Melbourne Institute of Technology University, Australia
- Certified Practising Accountant, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Kit May is the CEO and Executive Director of ARMB.

Details of her work experience are available in the Board of Directors' Profile section of this Report.

Present Directorships in Public Companies and/or Listed Issuers

- Axis REIT Sukuk Berhad
- Axis REIT Sukuk Two Berhad

Other Memberships/Appointments/Involvements

- Current Chairman of the MRMA
- Past Industry Adviser for University of Reading Malaysia's BSc Real Estate Programme

Awards Received

- Best of the Breeds REITs Awards 2024: Best CEO (Malaysia) – Platinum
- KSI Malaysian Property Icon Leadership Award 2023
- Best of the Breeds REITs Awards 2023: Best CEO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CEO (Malaysia)
- MIRA Investor Relations Awards 2020: Best CEO for IR



NIKKI NG

Chief Financial Officer

Age | Gender | Nationality

48 | Female | Malaysian

Date First Appointed as Key Management Personnel

1 June 2012

Academic/Professional Qualifications

- Bachelor of Accountancy (Hons), Oxford Brookes University, United Kingdom
- MIA Qualifying Examination
- Chartered Accountant, Malaysian Institute of Accountants
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute

Working Experience

Nikki has over 25 years of experience in the property, real estate, and corporate sectors, specialising in financial accounting and reporting as well as strategic planning.

As the Chief Financial Officer (CFO) of ARMB, she leads the Finance Team, overseeing its treasury and capital management, financial reporting, credit control, and budgetary control functions. She also works closely with the CEO on matters related to corporate finance and regulatory compliance.

Nikki joined ARMB as an Accountant in 2008 and assumed the role of Head of Credit Control in 2012. She demonstrated continued professional growth and leadership, and was promoted to ARMB's Financial Controller in 2016 and subsequently to her current position as CFO in 2017.

Before joining ARMB, Nikki was the Finance Manager at Paxelent Corporation Berhad, where she gained experience in financial management and corporate planning. Prior to that, she was attached to IGB Corporation Berhad.

Present Directorships in Public Companies and/or Listed Issuers

- None

Awards Received

- Best of the Breeds REITs Awards 2024: Best CFO (Malaysia) – Platinum
- Best of the Breeds REITs Awards 2023: Best CFO (Asia Pacific) – Platinum
- Best of the Breeds REITs Awards 2020: Best CFO (Malaysia)

KEY MANAGEMENT PROFILE



JACKIE LAW

Head of Real Estate

Age | Gender | Nationality

61 | Female | Malaysian

Date First Appointed as Key Management Personnel

1 December 2012

Academic/Professional Qualifications

- Master of Science in Facilities Management, Heriot-Watt University, United Kingdom
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Jackie heads ARMB's real estate operations. She is responsible for the Fund's portfolio strategy and overseeing its management and leasing functions, which include tenant care, retention, loyalty, and satisfaction. She also supports the CEO in evaluating potential property acquisitions and divestments, asset enhancement initiatives, and development projects.

Jackie works closely with the Property Manager of Axis-REIT to ensure the Fund's property portfolio is optimally maintained and competitively positioned in the property market.

She has extensive experience in real estate management and operations, including marketing, lease management, project management, and facilities management. She has served in several administrative roles within the Axis group of companies since 1994, in the areas of property development and management.

Present Directorships in Public Companies and/or Listed Issuers

- None



REBECCA LEONG

Company Secretary & Head of Compliance

Age | Gender | Nationality

47 | Female | Malaysian

Date First Appointed as Key Management Personnel

1 November 2016

Academic/Professional Qualifications

- Associate of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries & Administrators (ICSA))
- Chartered Secretary, The Malaysian Institute of Chartered Secretaries and Administrators (MAICSA)
- Practising Certificate Holder of the Companies Commission of Malaysia (SSM)
- Chartered Governance Professional (CGP)

Working Experience

Rebecca joined ARMB in 2016 as Company Secretary and Head of Compliance, overseeing all corporate compliance matters of ARMB and Axis-REIT. She also assists the CEO in corporate legal matters, internal audit, and risk management, working closely with appointed legal solicitors and internal auditors.

Prior to her appointment in 2016, Rebecca had served as ARMB's external Company Secretary since 20 April 2006, in her capacity as Vice-President at corporate secretarial firm, Archer Corporate Services Sdn Bhd (Archer). During her 12-year tenure with Archer, she handled corporate secretarial matters for a portfolio of public and private companies, with a scope of work ranging from corporate advisory to corporate governance and administration, as well as listing obligations and corporate compliance with statutory and regulatory requirements. She also acted as the Chartered Secretary of companies under her care.

Before joining Archer, Rebecca was attached to Signet & Co Sdn Bhd, another corporate secretarial firm, where she gained her initial exposure and experience in corporate secretarial practice.

Present Directorships in Public Companies and/or Listed Issuers

- None

KEY MANAGEMENT PROFILE



TAN KEE HONG

Head of Investments

Age | Gender | Nationality

39 | Male | Malaysian

Date First Appointed as Key Management Personnel

17 July 2019

Academic/Professional Qualifications

- Bachelor of Commerce (Accounting & Finance), University of Melbourne, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Practising Accountant, Australia

Working Experience

Kee Hong leads the Investments Team, overseeing the execution of the Fund's portfolio strategy with a focus on industrial properties. He proactively sources, evaluates, and secures new investment opportunities to build a robust pipeline of suitable acquisition and development targets for the Fund. He also assesses divestment possibilities in anticipation of changing market priorities.

Kee Hong began his career as an auditor with Ernst & Young. He entered the REIT sector as an Accountant at ARMB in 2011, and was promoted to Finance Manager in 2013. He went on to broaden his experience, joining S P Setia Berhad as its Corporate Affairs and Investor Relations Manager, before moving on to a business development role as a Corporate Strategy Senior Manager at Agile Motion Sdn Bhd in 2015.

Kee Hong returned to ARMB as Head of Investments in July 2019.

Present Directorships in Public Companies and/or Listed Issuers

- None



LOW AY KEAN

Human Resource Manager

Age | Gender | Nationality

51 | Female | Malaysian

Date First Appointed as Key Management Personnel

1 December 2015

Academic/Professional Qualifications

- Bachelor's Degree in Economics, Universiti Putra Malaysia
- Professional Diploma in Human Resource Management, Malaysian Institute of Human Resource Management

Working Experience

As Human Resource Manager, Ay Kean is responsible for the full spectrum of ARMB's human resource, office administration, and information technology (IT) functions. These encompass manpower, recruitment and selection, compensation and benefits, training, employee welfare, industrial relations, and general office administration. She also oversees ARMB's IT systems, working closely with the outsourced IT service provider to put in place a robust and resilient IT infrastructure, effective preventive maintenance and security systems, as well as timely technical support services.

Prior to joining ARMB, Ay Kean served in the human resource departments of several public and private organisations, including Malaysian Bulk Carriers Berhad, Zelan Berhad, Kurihara, and Cybervision Sdn Bhd.

Present Directorships in Public Companies and/or Listed Issuers

- None

KEY MANAGEMENT PROFILE



JESSICA WONG

Manager, Corporate Communications & Sustainability

Age | Gender | Nationality

40 | Female | Malaysian

Date First Appointed as Key Management Personnel

1 January 2025

Academic/Professional Qualifications

- Bachelor of Arts (Hons), Politics, Philosophy and Economics, University of Manchester, United Kingdom
- GRI Certified Sustainability Professional

Working Experience

Jessica oversees the implementation of Axis-REIT's sustainability strategies. Working with members of the Sustainability Team, she plans, coordinates, and monitors the implementation of Board-approved ESG initiatives and related programmes.

She is responsible for the Fund's ESG benchmarking and ratings processes and for ensuring accuracy and transparency in sustainability reporting, including climate-related disclosures. Her role encompasses undertaking data analysis, managing surveys, preparing reports, and facilitating the sustainability assurance process.

Jessica also manages the Fund's corporate communications functions, overseeing its official website and other digital assets. Additionally, she oversees the production of marketing and corporate collaterals, and organises corporate events.

Jessica began her career as a marketing professional in the banking sector at Alliance Bank. She then transitioned to working with international non-profit organisations in disaster relief and resource mobilisation, where she managed projects across six countries in Asia. Prior to joining ARMB, Jessica gained valuable exposure to the property sector at See Hoy Chan Sdn Berhad, where she specialised in branding, communications, and customer experience.

Present Directorships in Public Companies and/or Listed Issuers

- None

Other Disclosures

None of the key management personnel of the Manager has:

1. any family relationship with any Director of the Manager and/or major shareholder of the Manager, and/or major Unitholder of Axis-REIT.
2. any conflict of interest with the Manager and/or Axis-REIT.
3. been convicted of any offence (other than traffic offences) within the past five years.
4. any public sanction or penalty imposed on them by relevant regulatory bodies in 2025.

PROPERTY MANAGEMENT TEAM



SELINA KHOR

*Axis Property Services
Property Manager of Axis-REIT*

Age | Gender | Nationality

67 | Female | Malaysian

Academic/Professional Qualifications

- Associate Diploma in Valuation, Royal Melbourne Institute of Technology, Australia
- Registered Valuer, Estate Agent and Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Selina is the registered owner of Axis Property Services (APS), which has been the appointed Property Manager of Axis-REIT since 1 January 2007. She oversees the management of all properties in the Fund's portfolio, working closely with ARMB and Axis Facilities Management Sdn Bhd (AFM) in providing property management services to Axis-REIT. These range from property maintenance and management to fit-out projects and asset enhancement initiatives.

Selina has over 40 years of experience in the property industry. Before establishing APS, she worked at Rahim & Co Chartered Surveyors Sdn Bhd, where she held various roles including registered valuer, estate agent, and property manager.

Present Directorships in Public Companies and/or Listed Issuers

- None



J SARAVANAKUMARAN

*Head of Facilities Management
Axis Facilities Management Sdn Bhd*

Age | Gender | Nationality

54 | Male | Malaysian

Academic/Professional Qualifications

- Executive Master in Operation & Project Management, University Malaysia Pahang
- Bachelor of Surveying (Property Management) University of Technology Malaysia
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia
- Member, Royal Institution of Surveyors Malaysia
- Member, Malaysian Institute of Property & Facility Managers
- Member, Association of Valuers, Property Managers, Estate Agents & Property Consultants in the Private Sector, Malaysia

Working Experience

J Saravanakumaran oversees facilities management and operations of all properties in Axis-REIT's portfolio. He works closely with ARMB and APS to ensure that the Fund's portfolio is managed efficiently and effectively, providing a safe, conducive, and sustainable built environment for all stakeholders. J Saravanakumaran was appointed as Head of Facilities Management in July 2025, a promotion from the position of Senior Facility Manager that he held since joining AFM in 2017.

J Saravanakumaran has over 25 years of experience in real estate professional services, specialising in property management, project management, property due diligence, and building code compliance.

Prior to joining AFM, J Saravanakumaran was attached to AIA Bhd as a Facility Manager, and to Azmi Group of Companies as a Commercial Operations Manager.

Present Directorships in Public Companies and/or Listed Issuers

- None



LOH YEN FERN

*Head of Project Management
Axis Facilities Management Sdn Bhd*

Age | Gender | Nationality

54 | Female | Malaysian

Academic/Professional Qualifications

- Bachelor of Construction Economics, Royal Melbourne Institute of Technology University, Australia
- Certificate in Real Estate Investment Finance, Asia Pacific Real Estate Association Institute
- Registered Property Manager with the Board of Valuers, Appraisers, Estate Agents and Property Managers, Malaysia

Working Experience

Yen Fern is responsible for project management and asset enhancement initiatives within Axis-REIT's property portfolio. She works closely with ARMB and APS in planning, executing, and monitoring the Fund's asset enhancement initiatives, and assists in due diligence exercises for potential asset acquisitions.

She also collaborates with ARMB in planning, costing, and assessing the viability of new development projects, and works with appointed contractors to monitor the implementation of approved projects.

Yen Fern has over 25 years of experience in the construction and building industry in Malaysia, specialising in project planning, management, and facilities management.

Prior to joining AFM in 2011, she was attached to Syarikat Pembinaan Woh Heng Sdn Bhd as a Quantity Surveyor, and to FSBM Holdings Berhad, where she progressed from a Business Analyst to Head of Business Unit (Properties).

Present Directorships in Public Companies and/or Listed Issuers

- None

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Dear Unitholders, 20 YEARS STRONG: GROWING BEYOND

2025 marked the 20th year of Axis-REIT's listing on Bursa Securities. In commemorating this milestone, we reflect on the Fund's remarkable journey thus far, having grown from our initial public offering (IPO) as Malaysia's first listed REIT with just five properties close to 1 million sq. ft. of net lettable area (NLA) in 2005, to the leading industrial/office REIT it is today. Axis-REIT's portfolio of 69 strategically-located, predominantly industrial properties boasts over 15 million sq. ft. of NLA with an expansive geographic footprint in the high-growth industrial corridors of Peninsular Malaysia.

Over the years, the Fund has built an impressive tenant base comprising multinational corporations, as well as fast-growing businesses, and has garnered considerable property development expertise, having completed five property development projects to-date.

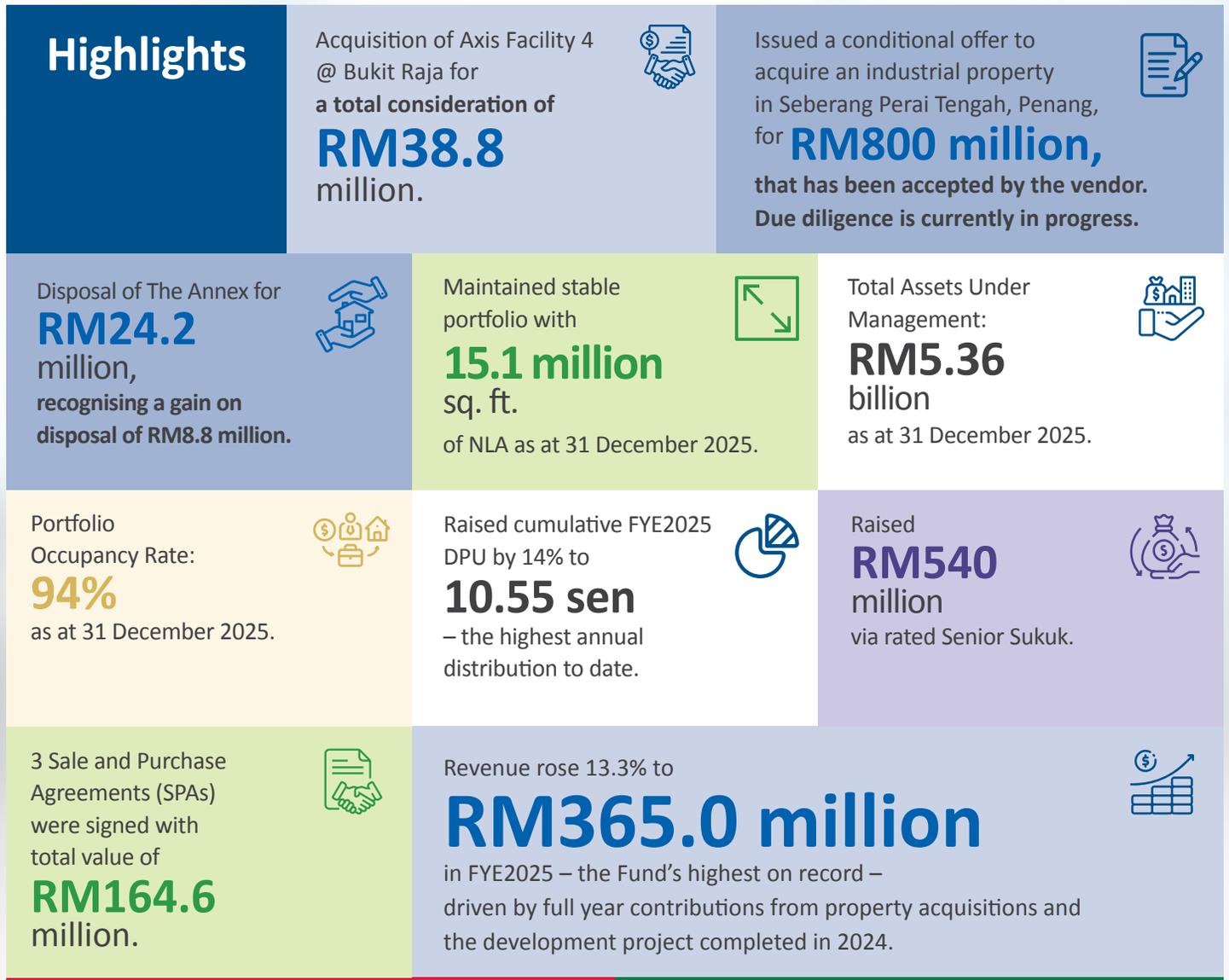


Leong Kit May
*Chief Executive Officer/
Executive Director*

**Dato' Carl Gunnar Myhre
@ Dato' Abas Carl Gunnar
Bin Abdullah**
Executive Chairman

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

Fittingly, 2025 was a year of records for Axis-REIT. We continued to deliver record performance metrics, as the Fund posted a 14% year-on-year increase in net property income to RM316.2 million. At the bottom line, net income growth outpaced revenue, surging 34% to deliver a record net income of RM282.1 million for FYE2025. The stellar performance enabled the Fund to raise returns to Unitholders, declaring a cumulative Distribution Per Unit (DPU) of 10.55 sen for FYE2025 – a 14% increase from the previous year and the Fund's highest annual distribution to date.



We note that these remarkable results were achieved amid considerable external macroeconomic uncertainties that defined 2025. Geopolitical tensions and evolving global trade policies, including the imposition of cross border tariffs, created a challenging environment for companies involved in global supply chains. The Fund's record performance against this backdrop underscored solid fundamentals, a resilient portfolio, operational agility, and excellent capital discipline in successfully navigating these headwinds.

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

PORTFOLIO HIGHLIGHTS

During 2025, the Fund continued to strengthen its portfolio, adding one property, Axis Facility 4 @ Bukit Raja, acquired for RM38.8 million, to the property count, while completing the divestment of The Annex, for a consideration of RM24.2 million. The disposal, which generated a disposal gain of RM8.8 million for the Fund, is in line with the Manager's capital recycling and portfolio optimisation initiatives, aimed at refining the portfolio's focus on high-yielding manufacturing, logistics, and industrial/office properties in key industrial hubs.

The stable headline numbers – with the Fund's investment portfolio count unchanged at 69 properties with a marginal, 0.4% decline in total NLA to 15,093,420 sq. ft. exiting 2025 – masks the considerable, yield-accretive investment activities that are underway. The Fund continued to explore potential property investment opportunities, building a robust acquisition pipeline during the year. We executed SPAs to acquire three properties with a combined purchase price of RM164.6 million. During the year, we also issued a conditional offer to acquire a property near Penang Port, in Seberang Perai Tengah, for a total consideration of RM800 million. The offer has been accepted by the vendor, and is currently at a due-diligence stage. In addition to being poised to be the Fund's largest transaction to date, the acquisition stands out for being one of the few freehold land transactions in Penang, underscoring the rarity and significance of securing such an opportunity in the state.

During the year, we continued to explore property development opportunities, assessing brownfield opportunities within Axis-REIT's existing portfolio for redevelopment potential. We have identified several potential projects that we will continue to evaluate for potential development in 2026 and beyond.

We also continued growing our portfolio of green-certified buildings, obtaining GreenRE



Axis Facility @ Batu Kawan

Bronze certification for Axis Facility @ Batu Kawan, in line with our target of obtaining one green building certification annually. With this latest certification, Axis-REIT's portfolio now boasts seven green-certified buildings across six properties.

In addition to acquisitions and property development efforts, the Fund deployed RM13.9 million on asset enhancement initiatives (AEIs), including key upgrades across its portfolio. These investments focused on improving and updating the portfolio's efficiency and sustainability features, and included the installation of EV charging stations, insulation enhancements, and cooling tower upgrades. We also upgraded safety and compliance systems involving fire systems and electrical infrastructure, along with improvements to our parking systems, passenger lifts, and building facades.

OPERATIONAL HIGHLIGHTS

Axis-REIT's strong strategic positioning and high-quality portfolio continued to deliver robust operating results. Portfolio occupancy remained resilient, at 94% as at 31 December 2025, supported by lease renewals for 73%

of tenancies (by NLA) that had come up for renewal during 2025. In addition, the Real Estate Team successfully secured new tenancies for 11% of the vacated space, locking in rental rates that are up to 15% higher than previous tenancies in some instances, which demonstrates the appeal and demand of Axis-REIT's portfolio.

Our operating focus is anchored on ensuring superior tenant satisfaction, by delivering real estate solutions that are future-ready to support the needs of our tenants. Toward this end, we continue to build collaborative tenant relationships to understand their operational requirements, expansion plans, and space optimisation strategies. We also work with our extensive network of real estate agents, business leaders, authorities, and other stakeholders to position Axis-REIT as the partner of choice for business space needs.

The success of these efforts are reflected in Axis-REIT's high tenant satisfaction ratings, with the annual Tenant Satisfaction survey returning an average score of 76% against our target score of 70%, and our Hello Axis Service Request Satisfaction Ratings of 85% against our target score of 80%.

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

FINANCIAL HIGHLIGHTS

Axis-REIT delivered record financial results in FYE2025, reaping the rewards of strategic investments in a solid portfolio, property development projects, and tenant partnerships over the years. We believe this was a remarkable result, given broad macroeconomic headwinds from a weak external sector.

Reported record financial results, with revenue of

RM365.0 million

in 2025 (up **13%** from FYE2024) and realised net income of

RM203.3 million

(up **26%** from FYE2024).

Revenue rose 13.3% to RM365.0 million in FYE2025 – the Fund’s highest on record – driven by full year contributions from property acquisitions and the development project completed in 2024. This was further supplemented by positive rental reversions across the portfolio, which offset an uptick in vacancy rates in the fourth quarter of 2025.

Axis-REIT’s net property income of RM316.2 million for FYE2025, also a record, rose 14.3% from the prior year’s RM276.6 million. The uplift was underpinned by an improving cost-to-revenue ratio, which strengthened to 13.5% compared with 14.3% in 2024.

The record financial results enabled the Fund to declare a DPU of 10.55 sen for FYE2025, an increase from 9.27 sen in 2024. The DPU, which represented a payout ratio of 99.8%, translated to an annual distribution yield of 5.5% based on the Fund’s closing Unit price of RM1.92 as at 31 December 2025.

In its pursuit of growth, the Fund continued to maintain capital discipline while ensuring sufficient liquidity to meet our growth ambitions. We are pleased to report that we achieved all sustainability performance targets (SPTs) predefined in our financing facilities, and received the rebates as scheduled. In addition to total financing amounting to RM1.73 billion as at 31 December 2025, the Fund secured RM100.0 million in sustainability-linked financing during the year. We also established an Islamic Notes Issuance Programme with a nominal value of up to RM3.0 billion (Sukuk Programme Two). The Fund has issued Senior Sukuk under the programme of RM300.0 million on 15 August 2025 and RM240.0 million on 5 January 2026. The Senior Sukuk

issuances are rated AA2(s) by RAM Rating Services Berhad, which is premised on Axis-REIT’s credit profile.

SUSTAINABILITY

Axis-REIT has long been a champion of sustainability, and over the years, we have successfully integrated this into the Fund’s processes and operations. These efforts have paid off, securing the Fund’s first green-certified building in 2022 and then growing the portfolio of green-certified buildings to seven across six properties, proactively setting and working to achieve our sustainability targets for energy, water conservation, and waste reduction, as well as establishing an Environmental Policy in 2022.

ESG BENCHMARKS AND INDEXES

<p>FTSE ESG Score:</p> <p>4-star rating</p> <p>Constituent of:</p> <ul style="list-style-type: none"> i) FTSE4Good Bursa Malaysia Index; and ii) FTSE4Good Bursa Malaysia Shariah Index <p>GRESB Real Estate Benchmark Peer group ranking:</p> <p>2nd out of 6 peers</p>	<p>GRESB Public Disclosure Report:</p> <p>A</p> <p>Morningstar Sustainalytics: ESG Risk Rating</p> <p>Negligible Risk</p> <p>MSCI:</p> <p>BB</p>
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LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

We are pleased to have sustained this momentum in 2025 with the development of the Fund's Carbon Neutrality by 2050 Roadmap – a plan that maps out the Fund's specific initiatives towards achieving our greenhouse gases (GHG) targets, designed to ensure measurable impact, accountability, and continuous improvement as we progress towards carbon neutrality by 2050.

During the year, we also completed our climate scenario analysis – a structured assessment on the impact of potential climate-related risks, such as rapid decarbonisation, regulatory changes, and extreme weather scenarios, on the Fund's portfolio and operations.

Following these initiatives, we updated our operational sustainability targets, and now aim to achieve a 25% reduction in GHG emissions in five years (between 2026 and 2030), along with a 1% reduction in energy consumption over the same period. In order to achieve these targets, we will also leverage Malaysia's green energy tariff (GET) programme to offset our carbon footprint towards achieving carbon neutrality by 2030.

Our commitment to sustainability is also underscored by continuous improvements in sustainability reporting, which has evolved from the publication of Axis-REIT's inaugural sustainability report in 2016, to the Fund's adoption of integrated reporting in 2020. In 2024, we further strengthened our disclosures by aligning with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which has since been incorporated into IFRS S2.

In 2025, we took proactive steps to align our reporting with emerging regulatory requirements by adopting the NSRF. Through this, we enhanced the Fund's alignment with IFRS S1 and IFRS S2, in support of Malaysia's national shift towards ISSB aligned reporting under the NSRF. This positions Axis-REIT to meet upcoming sustainability reporting requirements, while reinforcing our commitment to integrate stakeholder priorities and sustainability considerations into our business strategy.



DW1 Logistics Warehouse

In our adoption of Scope 3 reporting, we aim to address the largest and most significant portion of our carbon footprint emissions across the value chain, ensuring that the Fund has a comprehensive view of climate-related risks and opportunities. Toward this end, we reviewed all Scope 3 categories and identified seven that are material to Axis-REIT's operations. In 2025, we meaningfully expanded our disclosures from two categories in 2024 to four categories, which now include Category 13, Downstream Leased Assets. This category accounts for the largest share of our total Scope 3 emissions, reflecting the nature of our operations as a landlord.

Going forward, with our commitment to NSRF, sustainability considerations will remain central to our operations and portfolio strategy. Key initiatives in the coming year include the application of the GET programme to meet the Fund's GHG reduction targets, in line with our Carbon Neutrality by 2050 Roadmap. Concurrently, we will continue to collaborate with the Energy Commission to obtain Building Energy Intensity (BEI) star ratings for nine multi-tenanted buildings. We will also continue our internal practices of collecting energy, water, and waste data from tenants, and will expand Scope 3 GHG disclosures to include supply chain data. We will continue enhancing our portfolio with green features where suitable, such as EV charging stations, renewable energy integration,

and rainwater harvesting tanks, maintaining our annual target of obtaining at least one additional green building certification.

RISK MANAGEMENT

IFRS S1 and S2 embed risk management as a core reporting requirement, requiring that organisations disclose the processes for identifying, assessing, and managing sustainability-related and climate-related risks.

In adopting IFRS S1 and S2 requirements, we have strengthened the Fund's risk management approach, mapping the SROs to the Fund's 15 material sustainability matters and our Enterprise Risk Management (ERM) framework. We prioritised critical SROs and identified the material information required under IFRS standards, covering governance, strategy, risk management, and metrics and targets.

This process of embedding SRO analysis into the materiality process supports proactive risk management, and elevates the rigour, transparency, and comparability of our reporting. The integration of these insights into our everyday operations and forward-looking strategic plans enhances long-term value creation and ensures the preservation of stakeholder trust.

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

COMMUNITY PARTNERSHIPS

In managing Axis-REIT, we recognise the importance of community partnerships, working alongside our industry peers, tenants, surrounding communities, and other stakeholders for the betterment of the industry and to support the communities in which we operate.

MRMA has been instrumental in the development of the REIT industry in Malaysia. As a founding member, we are proud of having always taken an active role in the association's efforts, frequently collaborating, exchanging ideas, and engaging with regulators and Bursa Securities to build a stronger and more resilient REIT industry. This has been critical in building professional capacity and competencies, winning the trust of tenants and investors alike. Throughout our CEO's tenure as MRMA Chairman in 2024-2026, we have continued to advocate for the integration of ESG considerations into Malaysian REIT's strategies and disclosures, encouraging members to align their practices with the principles of leading frameworks

and standards to strengthen transparency and accountability and keep pace with the evolving investor and regulatory landscape.

Concurrently, we also engage our surrounding communities to better understand and support their needs. Our initiatives aim to strengthen community well-being and deliver meaningful, positive outcomes. These efforts include targeted investments in health and education initiatives that address community priorities and contribute to long-term positive impacts.

2026 OUTLOOK AND STRATEGY

Looking ahead, Malaysia is poised for resilient economic growth, with the Ministry of Finance projecting gross domestic product (GDP) to grow between 4.0% and 4.5% in 2026. The external trade environment appears to have stabilised, and businesses have adapted well after the numerous external uncertainties faced in 2025. Against this backdrop we remain focused on strategically aligning Axis-REIT's portfolio and operations to capture opportunities in key growth sectors.

In pursuing our target to grow Axis-REIT's Assets Under Management (AUM) to RM10 billion by the end of 2030, we will continue to seek portfolio expansion opportunities, particularly in high-growth sectors and key industrial hubs throughout Peninsular Malaysia. We will ensure sufficient liquidity to fund these ambitions, and at the same time, aim to convert the Fund's remaining facilities to sustainability-linked financing, and explore opportunities for further green-financing/sustainability-linked Sukuk issuances. To ensure alignment with sustainability-linked financing criteria and to qualify for applicable rebates, we will work towards achieving the predefined green building certification targets.

On the regulatory front, we are actively engaged in negotiations with policymakers and stakeholders for the renewal of the 10% withholding tax concession that had previously been granted to REITs, to protect the attractiveness of Malaysian REITs as an asset class. We will continue to strongly advocate for a resolution that supports the long-term stability and competitiveness of the sector as a whole.



MRMA 20th Anniversary Gala Night

LETTER TO UNITHOLDERS FROM THE CHAIRMAN & CEO

AWARDS & APPRECIATION

We are grateful to our media partners, industry associations, and the broader business community, whose recognition of our efforts and achievements in the past 20 years highlights the strength and dedication of our team, as well as that of the entire industry. This year, we are honoured to celebrate the following prestigious awards, which are a reflection of our unwavering commitment to growth and innovation, and our continued pursuit of excellence into the future.

The awards also underscore the high level of scrutiny we face as corporate citizens – a responsibility we uphold with pride, encouraging the industry and our stakeholders to keep us aligned with our ambitions.

We extend our sincere appreciation to our esteemed stakeholders – Unitholders, tenants, contractors, suppliers, service providers, real estate agents, surrounding communities, and business partners – for your continued confidence in the Fund. We also wish to acknowledge our fellow Board members for their invaluable insights, guidance, and contributions, as well as the dedicated employees of the Manager, whose commitment, loyalty, and excellence have been instrumental to our success over the past 20 years. Collectively, your efforts have been the cornerstone of Axis-REIT's achievements, and we look forward to building upon this foundation to reach even greater milestones in the years to come.

Looking ahead, we remain steadfast in our pursuit of growth. As we embark on the next 20 years and beyond, we do so with renewed determination, supported by the foundations of a solid property portfolio and team that we have established to ensure sustainable progress and long-term value creation.

Dato' Carl Gunnar Myhre @ Dato' Abas Carl Gunnar Bin Abdullah
Executive Chairman

Leong Kit May
Chief Executive Officer/Executive Director



MANAGER'S DISCUSSION AND ANALYSIS

CEO's Review

Axis-REIT entered 2025 from a position of strength, leveraging its robust property portfolio and reaping the rewards of years of yield-accretive investment and operating strategies.

This was particularly critical amid heightened geopolitical risks that emerged during the year. The abrupt changes in U.S. trade policies threatened to disrupt global supply chains, and companies around the world reconsidered sourcing strategies, weighed relocating production, and diversifying markets to mitigate tariff exposure. This inadvertently raised macroeconomic risks for export-oriented countries like Malaysia.

Despite these challenges, we are pleased to report another stellar year for the Fund. We continued to strengthen the portfolio, acquiring Axis Facility 4 @ Bukit Raja for RM38.8 million, and divesting The Annex for a consideration of RM24.2 million. These efforts are part of our initiatives to refine the portfolio's focus on high-yielding manufacturing, logistics, industrial, and office properties in key industrial hubs. Following these transactions, the Fund ended FYE2025 with 69 properties and 15.1 million sq. ft. of NLA.

We also continued to build a robust acquisition pipeline, executing SPAs to acquire three properties with a combined purchase price of RM164.6 million, and initiated a conditional offer to acquire a property near Penang Port, in Seberang Perai Tengah, for a total consideration of RM800 million. On the development front, we have earmarked several brownfield opportunities within Axis-REIT's existing portfolio, and are evaluating the options for further development potential.

Meanwhile, the Real Estate Team successfully maintained portfolio occupancy at 94% as at 31 December 2025, and achieved a positive rental reversion of 3.5% for the year, with a weighted average lease expiry (WALE) of 4.4 years. We locked in a 73% renewal rate (by NLA) for tenancies that had come up

for renewal during FYE2025, and were also able to secure new tenancies for 11% of the vacated space, locking in rental rates of up to 15% higher than previous tenancies for some properties, underscoring the sustained appeal of Axis-REIT's superior business space solutions. These robust operating metrics reflect our continued efforts to strengthen tenant relationships to better understand their operational requirements, expansion plans, and space optimisation strategies.

We also maintained momentum in our sustainability efforts, recording a 10.21% reduction in energy consumption and 13.28% reduction in Scope 1 and 2 GHG emissions from the baseline year of 2019. The Board has approved the Fund's Carbon Neutrality by 2050 Roadmap, which sets our path towards achieving carbon neutrality by 2050. We also completed our climate scenario analysis as scheduled, in line with the Fund's adoption of the NSRF.

Our consistent efforts and focused strategies delivered record results for FYE2025, with

revenue and net property income of RM365.0 million (up 13.3% year-on-year) and RM316.2 million (up 14.3% year-on-year), respectively. At the bottom line, this translated to a record RM282.1 million, (growing 34.3% year-on-year), and enabled the Fund to declare its highest annual cumulative DPU to date, of 10.55 sen, which translated to a 99.8% payout ratio and a yield of 5.5% based on the Fund's closing price of RM1.92 per Unit on 31 December 2025.

We continued to maintain a prudent financial position, with RM1.73 billion in total financing, which translated to a financing ratio of 32.4% on a total AUM base of RM5.36 billion. During the year, we had established Sukuk Programme Two, which was accorded a rating AA2(s) by RAM Rating Services Berhad to the Senior Sukuk, premised on Axis-REIT's credit profile, giving the Fund ample headroom toward achieving its goals of growing total AUM to RM10 billion by 2030.



Bayan Lepas Distribution Centre

MANAGER'S DISCUSSION AND ANALYSIS

2025 Financial Performance Highlights

In 2025, Axis-REIT delivered strong performance across all core functions. The Fund's results demonstrate efficient operations, disciplined investment management, and a consistently strong financial position.



ASSETS UNDER MANAGEMENT (AUM)

RM5.36 billion

FYE2024: RM5.26 billion



REVENUE

RM365.0 million

FYE2024: RM322.1 million



SPACE UNDER MANAGEMENT

15.1 million sq. ft.

FYE2024: 15.2 million sq. ft.



NET ASSET VALUE

RM3.42 billion

FYE2024: RM3.30 billion



NET PROPERTY INCOME

RM316.2 million

FYE2024: RM276.6 million



RENTAL REVERSION

+ 3.5%

FYE2024: + 5.3%



REVALUATION GAIN ON PORTFOLIO

RM86.3 million

FYE2024: RM49.4 million



NET INCOME BEFORE TAX

RM284.6 million

FYE2024: RM212.5 million



PORTFOLIO OCCUPANCY RATE

94%

FYE2024: 95%



DISTRIBUTION PER UNIT (DPU)

10.55 sen

FYE2024: 9.27 sen



NET INCOME AFTER TAX

RM282.1 million

FYE2024: RM210.0 million



RM3.0 billion
ESTABLISHED ISLAMIC NOTES
ISSUANCE PROGRAMME

Rated Senior Sukuk: AA2(s)

Rated Subordinated Perpetual Sukuk: A1(s)

MANAGER'S DISCUSSION AND ANALYSIS

Financial Review

2025 marked a year of exceptional performance for Axis-REIT. Despite a more challenging operating environment, the Fund continued to deliver strong operational and financial results.

Axis-REIT achieved a record revenue of RM365.0 million in 2025, representing a significant increase of RM42.8 million, or 13.3%, from 2024. This growth was primarily driven by full-year contributions from properties acquired in 2024 and revenue from a development project completed in the prior financial year. In addition, the Fund achieved positive rental reversion across its portfolio, further supporting revenue growth. These contributions were partially offset by a reduction in rental income of approximately RM0.8 million following tenant vacancies in the fourth quarter of 2025 at Bukit Raja Distribution Centre and Seberang Prai Logistics Warehouse 2.

The Fund also achieved a record net property income of RM316.2 million, a 14.3% increase from the prior year's RM276.6 million. Although property expenses rose to RM48.8 million (2024: RM45.5 million) following portfolio expansion, enhanced operational efficiency offset the increase, strengthening the cost-to-revenue ratio to 13.4% from 14.1% in 2024.

The Fund declared a DPU of 10.55 sen, an increase from 9.27 sen in 2024. Total income distributions to Unitholders amounted to RM213.3 million (2024: RM165.3 million), representing a payout ratio of 99.8%. The closing Unit price of RM1.92 as at 31 December 2025 delivered an annual distribution yield of 5.5%.

The Fund continued to pursue disciplined, yield accretive acquisitions and development projects to enhance earnings and drive capital appreciation. This strategy is reflected in the appreciation of the Fund's investment properties which increased by RM86.3 million in 2025, demonstrating the quality of the portfolio and the resilience of strategically located properties with strong demand and limited supply.

Throughout the year, the Fund actively sought suitable investment opportunities. This resulted in the successful execution of SPAs for the acquisition of three properties, as well as the acceptance of a conditional letter of offer for an industrial property located in

Seberang Perai Tengah, Penang. All these properties combined amounted to a total consideration of RM964.6 million.

In terms of portfolio management, the Fund completed the disposal of The Annex during the financial year, generating a net gain of RM8.8 million. Following this disposal, the Fund's property portfolio stood at 68 properties as at 30 April 2025. Subsequently, the Fund took vacant possession and obtained legal ownership of Axis Facility 4 @ Bukit Raja after paying the first instalment of the balance purchase price on 5 December 2025. The remaining 45% of the purchase price is deferred to December 2026 in accordance with the SPA. As a result, the Fund's total property portfolio increased to 69 properties as at 31 December 2025.

The Fund proactively managed its balance sheet to support its growth ambitions, ensuring sufficient liquidity for operational and investment needs. In 2025, Axis-REIT secured RM100.0 million in additional sustainability-linked financing facilities.

KEY HIGHLIGHTS

Financial Year Ended 31 December	2025	2024
Revenue (RM'000)	364,986	322,154
Net property income (RM'000)	316,211	276,617
Net realised income (RM'000)	203,322	161,666
Income distribution (RM'000)	213,305	165,333
DPU (sen)	10.55	9.27

MANAGER'S DISCUSSION AND ANALYSIS

A summary of the Fund's key financial results is set out in the table below:

Summary of Results

	2025	2024	2023	2022	2021
Total Revenue (RM'000)	364,986	322,154	288,410	284,471	246,195
Property Operating Expenses (RM'000)	(48,775)	(45,537)	(42,977)	(39,128)	(33,314)
Net Property Income (RM'000)	316,211	276,617	245,433	245,343	212,881
Profit and Other Income (RM'000)	2,611	1,624	1,494	797	804
Changes in Fair Value of Investment Properties (RM'000)*	82,887	45,738	77,399	24,438	63,197
Net (Loss)/Gain on Financial Liabilities Measured at Amortised Cost** (RM'000)	(2,021)	3,576	(2,627)	4,654	(1,705)
Net Gain/(Loss) on Disposal of Investment Properties (RM'000)	867	(2,428)	-	-	-
Fair Value Change on Derivatives (RM'000)	(4,156)	(2,669)	(2,463)	2,027	1,746
Net Property and Investment Income (RM'000)	396,399	322,458	319,236	277,259	276,923
Non-Property Expenses (RM'000)	111,765	109,916	97,640	85,209	72,884
Net Income before Tax (RM'000)	284,634	212,542	221,596	192,050	204,039
Breakdown of Net Income after Tax:					
- Realised Income after Tax (RM'000)	203,322	161,666	145,375	157,550	136,211
- Unrealised Income after Tax (RM'000)	78,754	48,340	72,397	32,817	64,153
Income Available for Distribution (RM'000)	213,842	165,955	151,128	160,238	138,224
Earnings per Unit (Realised + Unrealised) (EPU) (sen)	13.96	11.80	12.50	11.62	13.80
Income Distribution (RM'000)	213,305	165,333	150,756	160,085	137,985
Distribution Per Unit (DPU) (sen)	10.55	9.27	8.65	9.75	9.49
Distribution Yield (based on closing market price on 31 December) (%)	5.49	5.36	4.83	5.45	4.89
EPU Yield (based on closing market price on 31 December) (%)	7.27	6.82	6.98	6.49	7.11
Management Expense Ratio (MER) (%)	1.21	1.25	1.20	1.22	1.25
Annual Total Return (%)***	17.08	1.83	4.83	(2.71)	0.24
Average Total Return (3 years) (%)	7.91	1.32	0.79	5.72	13.09
Average Total Return (5 years) (%)	4.25	4.76	8.28	9.28	9.48

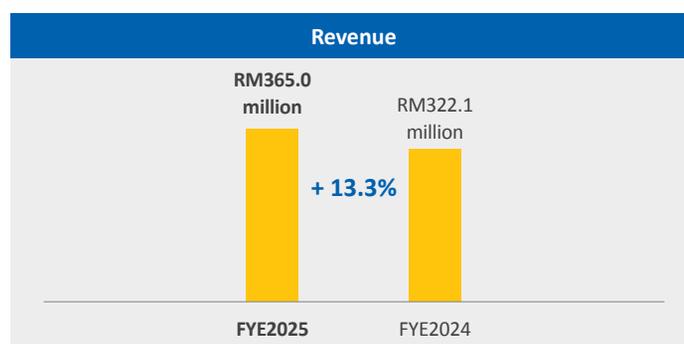
* After offsetting unbilled lease income receivables.

** Unrealised (loss)/gain on discounted tenants' deposits received in compliance with MFRS 139.

*** Based on movements in the Unit price and DPU yield.

Revenue: Up 13.3% to RM365.0 million

Revenue increased 13.3% to RM365.0 million in 2025, driven mainly by contributions from properties acquired in 2024, full-year income from a completed development project, and a 3.5% positive rental reversion. This was partly offset by rental income losses from leases expired at Seberang Prai Logistics Warehouse 2 and Bukit Raja Distribution Centre.



MANAGER'S DISCUSSION AND ANALYSIS

Revenue Composition: Rental income accounted for 96.6% of total revenue

Rental income amounted to RM352.5 million, with the balance derived from car park operations and other income sources.

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Rental income*	352,523	308,485	276,073	265,016	237,669
Car park income	6,079	5,951	5,754	5,079	4,075
Other income	6,384	7,718	6,583	14,376	4,451
Total**	364,986	322,154	288,410	284,471	246,195

* Includes the recognition of rental income on a straight-line basis, including rent-free periods, pursuant to the requirements of MFRS 16.

** There is no property development income derived by Axis-REIT, as Axis-REIT primarily invests and owns real estate (including the properties that Axis-REIT develops or enhances) for rental generating purposes, which is in line with its investment objectives.

Property operating expenses increased by RM3.2 million, arising mainly from additional space under management, implementation of more stringent Standard Operating Procedures (SOPs), and ongoing wage inflation

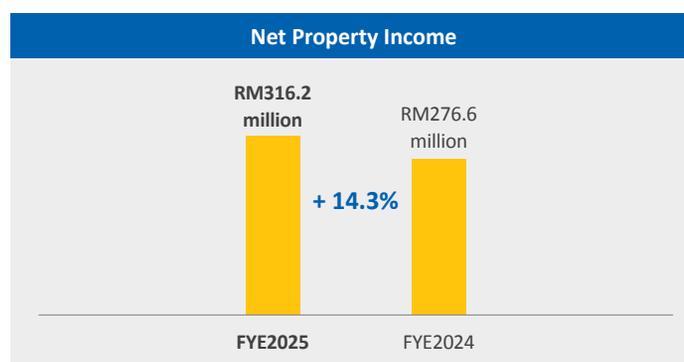
The Fund's property operating expenses increased by 7.1% year-on-year to RM48.8 million in 2025, primarily attributable to expansion of the property portfolio size. Property management expenses as well as assessment and quit rent accounted for 23.5% and 21.2% of total property operating expenses, respectively.

Security and cleaning expenses increased by 1.6% year-on-year, driven by the implementation of more stringent safety and cleaning protocols to safeguard tenant well-being at multi-tenanted properties. These increases, along with prevailing wage inflation, were the key factors contributing to higher operating expenses during the year.

	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
Assessment and quit rent	10,357	9,578	8,770	8,056	7,039
Property Manager's fee and on-site personnel costs	11,482	10,583	9,569	9,512	8,467
Security and cleaning expenses	6,739	6,632	5,899	4,980	4,026
Takaful contributions	1,713	1,737	1,585	1,498	1,447
Maintenance and others	18,484	17,007	17,154	15,082	12,335
Total	48,775	45,537	42,977	39,128	33,314

Net Property Income: Up 14.3% to RM316.2 million

Net property income for 2025 increased 14.3% year-on-year to RM316.2 million, compared with RM276.6 million in 2024. The growth was driven by higher revenue recorded during the year.



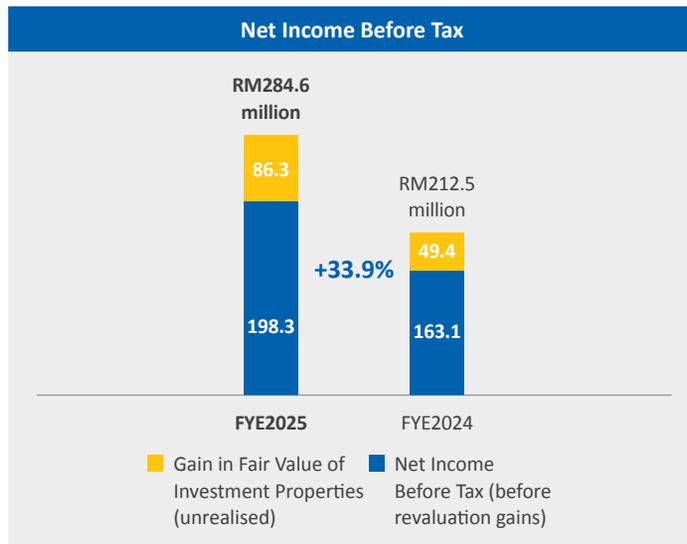
MANAGER'S DISCUSSION AND ANALYSIS

Net Income Before Tax: Increased 33.9% in 2025

The Fund's net income before tax increased by 33.9% to RM284.6 million in 2025, compared to RM212.5 million in 2024. This growth was primarily driven by higher unrealised gains on the fair value of investment properties, which increased to RM86.3 million in 2025 from RM49.4 million in the previous year.

Excluding these non-cash revaluation gains, the adjusted net income before tax increased from RM163.1 million in 2024 to RM198.3 million in 2025, representing a 21.6% increase. This reflects strong operational performance.

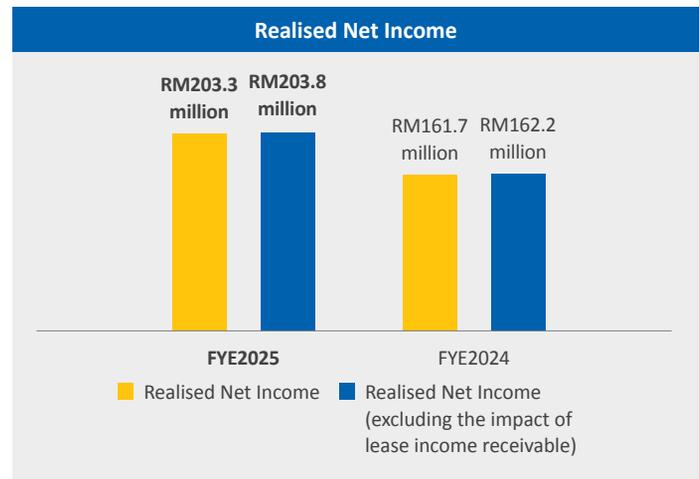
The chart illustrates the breakdown of net income before tax for both years, highlighting the contribution of unrealised revaluation gains to the overall growth.



Realised Net Income Excluding Lease Incentive Adjustments: Up 25.6% to RM203.8 million

Axis-REIT's realised net income after tax, including lease incentive adjustments under MFRS 16, increased by 25.7% to RM203.3 million in 2025, compared with RM161.7 million in 2024.

Excluding the impact of these lease incentive adjustments, realised net income increased to RM203.8 million in 2025, up 25.6% from RM162.2 million in 2024.



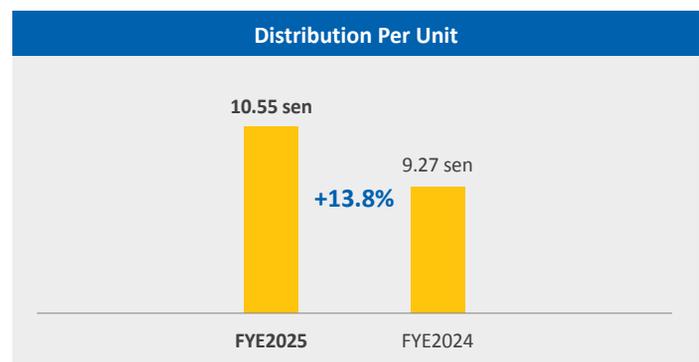
DPU: 10.55 sen, Delivering an Attractive Distribution Yield of 5.5%

For the financial year under review, the Fund's distributable income amounted to RM213.8 million. A total distribution of RM213.3 million was declared, representing a payout ratio of 99.8%.

The Fund declared a total DPU of 10.55 sen for 2025, up 13.8% from 9.27 sen in the previous year. Included in this DPU is a gain on the disposal of The Annex, which was completed in April 2025. The disposal generated a total realised gain of RM8.8 million (net of Real Property Gains Tax), translating to an additional income distribution of 0.43 sen per Unit.

Based on Axis-REIT's closing Unit price of RM1.92 as at 31 December 2025, the DPU translates to a strong distribution yield of 5.5%.

Since its IPO, the Fund has delivered cumulative returns of over 400% to Unitholders, driven by distributions paid and an increase in Unit price from RM0.625 (prior to Unit Split equivalent RM1.25) to RM1.92 as of 31 December 2025.



MANAGER'S DISCUSSION AND ANALYSIS

In 2025, the Fund offered an Income Distribution Reinvestment Plan (IDRP) for its third interim DPU of 2.65 sen, comprising 2.48 sen taxable and 0.17 sen non-taxable to Unitholders. The 2025 IDRP provided Unitholders with three options:

- a) Reinvest the full electable portion of 1.30 sen into new Units and receive the remaining 1.35 sen in cash; or
- b) Reinvest half of the electable portion (0.65 sen) into new Units and receive 2.00 sen in cash; or
- c) Do not participate in the IDRP and receive the entire 2.65 sen in cash.

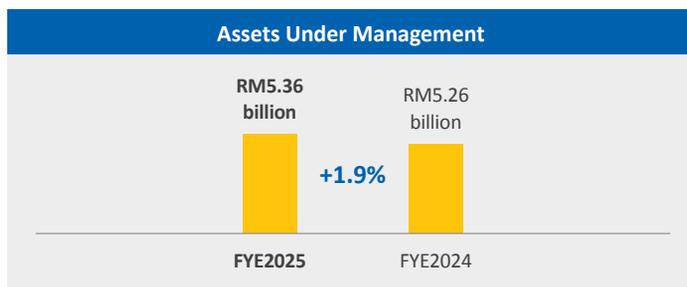
The IDRP Units were offered at a price of RM2.04 each, representing a 3.83% discount to the Fund's 5-day volume weighted average market price. The entitlement date was 18 November 2025 with allotment and payout scheduled for 19 December 2025. The exercise concluded with the listing of 4,120,768 new IDRP Units on 22 December 2025.

Total Assets: Up 1.9% to RM5.36 billion

Axis-REIT maintained a strong financial position in 2025, supporting its growth prospects in the years ahead.

Disciplined investments over the past 20 years have driven steady growth in the Fund's real estate AUM, which increased to RM5.36 billion as at 31 December 2025, reflecting a 1.9% increase from the previous year.

Investment properties accounted for RM5.24 billion, or 97.8% of the Fund's AUM, comprising 63 industrial properties, three hypermarkets, and three office buildings. These properties are strategically located in key industrial hubs and established commercial centres across Peninsular Malaysia.



Portfolio Yield: Average Net Yield Remains Stable at 7.8%

The Fund's portfolio delivered a steady performance in 2025, with average gross and net yields holding at 9.1% and 7.8%, reflecting continued resilience in a stable market environment.

Hypermarkets and manufacturing facilities were the top contributors, generating strong net yields of 8.9% and 8.1%, while logistics warehouses and office industrial properties also delivered solid returns of 7.7% and 7.4%.

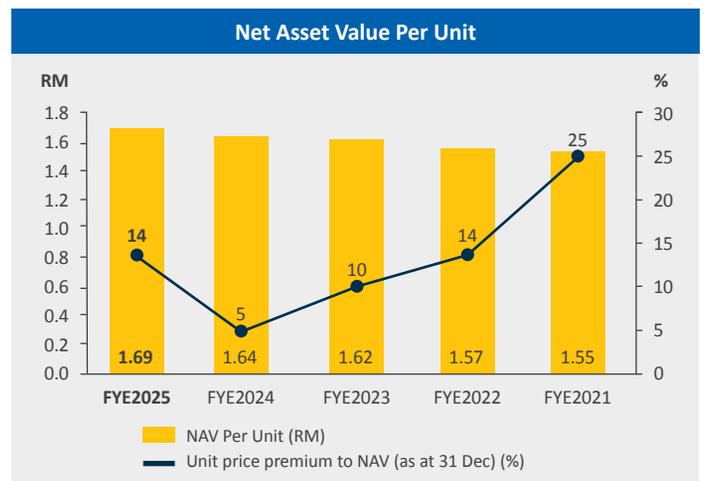
Despite ongoing concerns over office space oversupply in the Greater Kuala Lumpur area, the Fund's office properties maintained reliable net yields of 6.3%, demonstrating the portfolio's ability to sustain value across diverse sectors.

Portfolio Yield (%)		
ASSET TYPE	GROSS	NET
OFFICE	9.4	6.3
OFFICE/INDUSTRIAL	10.0	7.4
LOGISTICS WAREHOUSE	8.6	7.7
MANUFACTURING FACILITY	9.0	8.1
HYPERMARKET	9.4	8.9
AVERAGE	9.1	7.8

NAV Per Unit: RM1.69 as at 31 December 2025

As at 31 December 2025, the Fund's net assets amounted to RM3.4 billion, up 3.8% from the previous year, resulting in an NAV per Unit of RM1.69.

Axis-REIT's closing Unit price stood at RM1.92, representing a 13.6% premium to the Fund's NAV per Unit at year-end.



MANAGER'S DISCUSSION AND ANALYSIS

Summary of Performance

	2025	2024	2023	2022	2021
AUM (RM'000)	5,356,293	5,258,558	4,522,893	4,255,673	3,838,760
NAV before income distribution (RM'000)	3,423,457 [#]	3,299,096 [#]	2,826,002 [#]	2,571,839*	2,527,321*
NAV per Unit before income distribution					
- As at 31 December (RM)	1.69 [#]	1.64 [#]	1.62 [#]	1.57*	1.55*
NAV after final income distribution (RM'000)	3,367,772	3,273,562	2,784,063	2,533,362	2,491,747
NAV per Unit after final income distribution					
- As at 31 December (RM)	1.66	1.63	1.59	1.54	1.52
Units in circulation ('000 units)	2,024,895	2,010,492	1,747,492	1,641,054	1,634,524
- Lowest NAV per Unit during the year (RM)	1.64	1.61	1.56	1.53	1.46
- Highest NAV per Unit during the year (RM)	1.69	1.64	1.62	1.57	1.55
Market value per Unit					
- As at 31 December (RM)	1.92	1.73	1.79	1.79	1.94
Highest traded price for the year (RM)	2.20	1.94	1.94	2.00	2.11
Lowest traded price for the year (RM)	1.71	1.71	1.77	1.78	1.81

* Before the fourth and final income distributions for the respective financial years.

Before the final income distributions for the respective financial years.

Portfolio Valuation: 69 Properties Valued at RM5.2 Billion

In 2025, the Fund's portfolio of 69 properties was independently valued at RM5.2 billion, reflecting a revaluation gain of RM86.3 million for the year. This represents a 2.4% increase from RM5.1 billion in the prior year.

The annual revaluation was carried out in compliance with the SC's Guidelines on Listed REITs and MFRS 140, with any changes in fair value recognised in the Fund's Statement of Profit or Loss.

	2025	2024	2023	2022	2021
No. of properties	69	69	62	62	58
NLA (million sq. ft.)	15.1	15.2	13.4	12.7	11.4
Portfolio carrying value before revaluation (RM million)	5,150.7	5,064.4	4,362.8	4,158.2	3,546.4
Portfolio carrying value after revaluation (RM million)	5,237.0	5,113.8	4,444.1	4,186.0	3,614.2
Unrealised revaluation gain (RM'000)	86,287	49,412	81,311	27,819	67,787
Portfolio total investment outlay (including enhancements) (RM million)	4,442.38	4,396.30	3,773.00	3,596.20	3,052.20
Accumulated revaluation gain (RM million)	794.6	717.5	671.1	589.8	562.0



A breakdown of the Fund's portfolio valuation by property is provided on pages 282 to 284 of this Report.

MANAGER'S DISCUSSION AND ANALYSIS

Financing Profile

	2025	2024	2023	2022	2021
Total financing (RM'000)	1,733,536	1,750,444	1,554,974	1,546,020	1,184,593
AUM (RM'000)	5,356,293	5,258,558	4,522,893	4,255,673	3,838,760
Financing ratio	32.4%	33.3%	34.4%	36.3%	30.9%
Cost of financing (p.a.)*	4.1%	4.3%	4.2%	3.9%	3.6%
Percentage of short-term financing	46%	47%	52%	53%	47%
Percentage of medium- and long-term financing	54%	53%	48%	47%	53%
Percentage of floating financing	35%	47%	40%	53%	36%
Percentage of fixed rate financing	65%	53%	60%	47%	64%
Total unencumbered assets	22	23	22	23	19
Value of unencumbered assets over AUM	38%	38%	36%	42%	29%

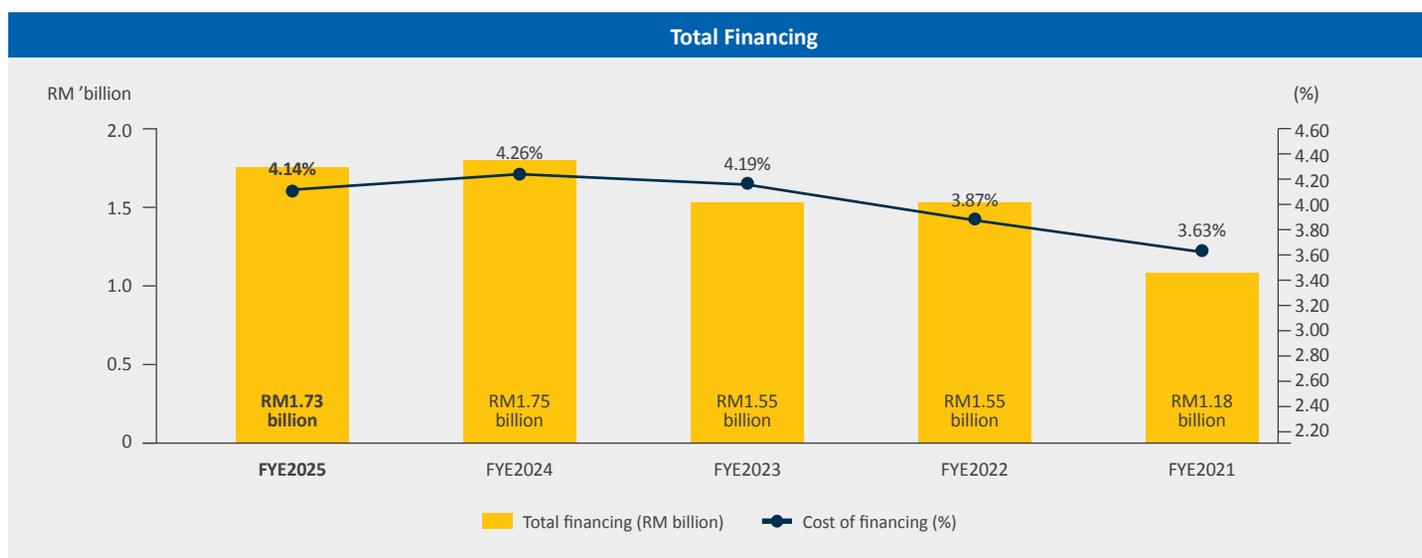
* For comparison purposes, the cost of financing rate includes incidental costs of financing.

Total Financing: RM1.73 billion

The Fund maintains a proactive approach to managing its financial position, ensuring sufficient liquidity to meet working capital and financing commitments, while retaining headroom for acquisition and development strategies.

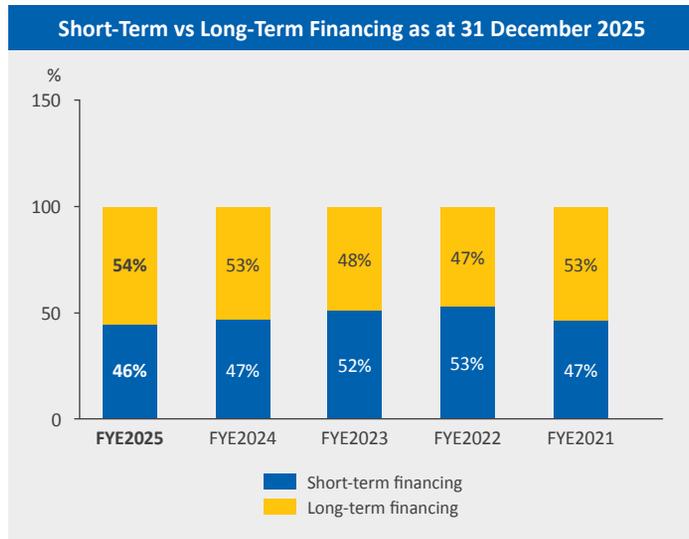
As at 31 December 2025, Axis-REIT had committed financing facilities of RM1.73 billion (2024: RM1.75 billion), resulting in a financing ratio of 32.4% (2024: 33.3%). To enhance capital flexibility, the Fund established a Sukuk Programme Two, through its wholly owned subsidiary, Axis REIT Sukuk Two Berhad (ARSTB). RAM Rating Services Berhad assigned a rating of AA2(s) to the Senior Sukuk, which is premised on Axis-REIT credit profile.

On 15 August 2025, the Fund completed its first issuance under Sukuk Programme Two, raising RM300.0 million in Senior Sukuk with a fixed rate of 4% p.a. over a 10-year tenure. The proceeds were primarily used to refinance existing financing and increase fixed rate exposure to 65%. On 5 January 2026, a further RM240.0 million Senior Sukuk was issued at a fixed rate of 3.95% for a 7-year tenure, locking in favourable financing costs and increasing long-term financing exposure to 68%.



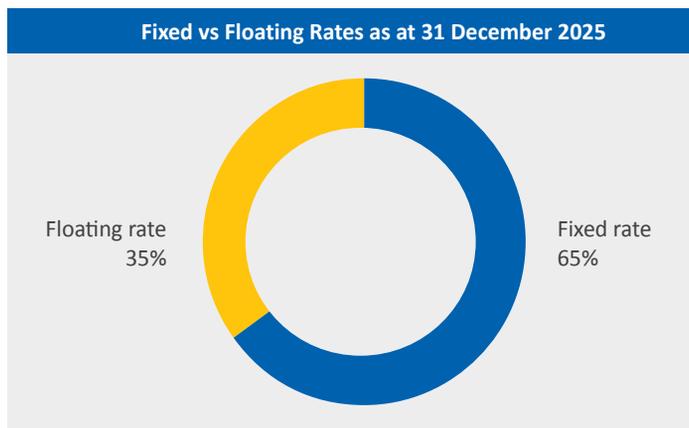
MANAGER'S DISCUSSION AND ANALYSIS

The Fund strategically increased its long-term financing in 2025, shifting the ratio of short-term to medium/long-term financing from 46:54 at end-2025 to 32:68 in early January 2026. This approach also extended the average maturity of the Fund's financing facilities from 4.1 years as at 31 December 2025 (2024: 3.2 years) to 5.1 years following the second Senior Sukuk issuance in January 2026. This reduces refinancing risk and aligns financing obligations more closely with cash flow plans.



In line with its ESG commitments, Axis-REIT integrates sustainability considerations into its capital management strategy. The Fund secured additional RM100.0 million in sustainability-linked financing in 2025. All pre-agreed SPTs were achieved, receiving profit rate rebates and generating cost savings.

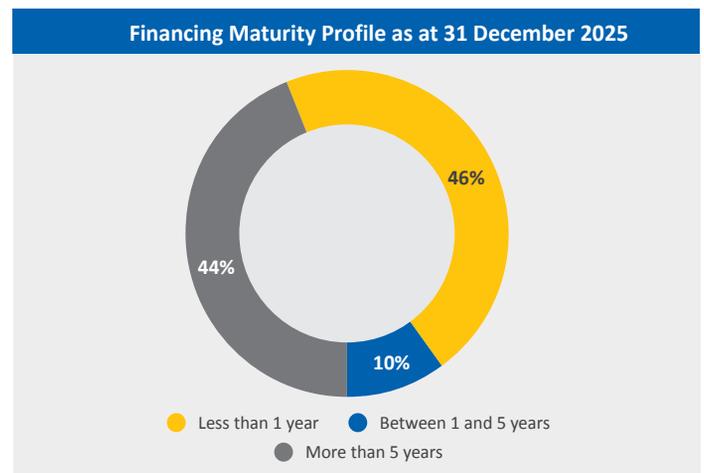
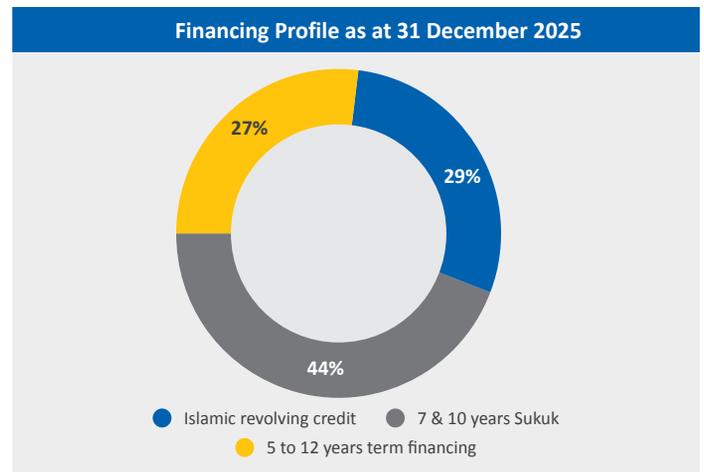
The Fund maintains a prudent mix of fixed and floating rate financing to manage interest rate risks. As at 31 December 2025, the effective profit rate of the Fund's financing portfolio stood at 4.1% p.a., down from 4.3% in 2024. The reduction was supported by the 25 basis-point cut in the Overnight Policy Rate (OPR) since July 2025, which lowered costs on the Fund's floating rate facilities. In addition, the Fund received rebates on its sustainability-linked financing facilities



after successfully meeting all pre-agreed SPTs, further contributing to cost savings.

Axis-REIT's disciplined capital management ensures financial flexibility, mitigates concentration risk, and maintains a robust balance sheet capable of navigating challenges and seizing opportunities. The Fund actively leverages relationships with a wide network of financial institutions to support its growth strategy.

As at 31 December 2025, the financing portfolio (excluding incidental costs) comprised RM750.0 million in Sukuk (7-year tenure: RM370.0 million and 10-year tenure: RM380.0 million), RM487.75 million in term financing facilities, and RM498.5 million in Islamic revolving credit facilities.



MANAGER'S DISCUSSION AND ANALYSIS

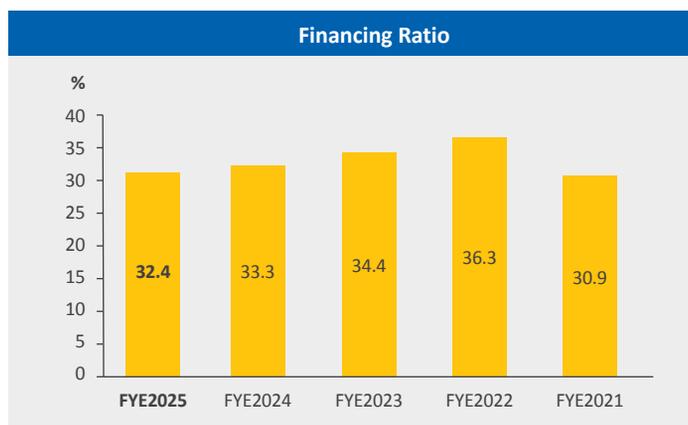
Financing Ratio: Lower at 32.4% as at 31 December 2025

Axis-REIT continues to maintain a prudent financing strategy, keeping its financing ratio within the 30% to 40% range and comfortably below the 50% limit prescribed under the SC's Guidelines on Listed REITs.

As at 31 December 2025, the Fund's financing ratio stood at 32.4%, down from 33.3% as at 31 December 2024, as shown in the accompanying chart. The reduction was mainly attributable to the equity placement completed in November 2024, which lowered the financing ratio from 38.5% in the third quarter of 2024 to 33.3% by year-end 2024, as well as the increase in AUM during 2025.

The Fund's relatively low financing ratio provides substantial headroom for future acquisitions and development opportunities, allowing for an additional drawdown of RM945.0 million to finance future acquisitions before approaching the 50% limit prescribed by the SC.

For FYE2025, the majority of the Fund's financing facilities were secured by the Fund's investment properties, except for RM300.0 million Senior Sukuk which is secured by a finance service reserve account, and debenture over the assets of ARSTB and charge over the equity of ARSTB.

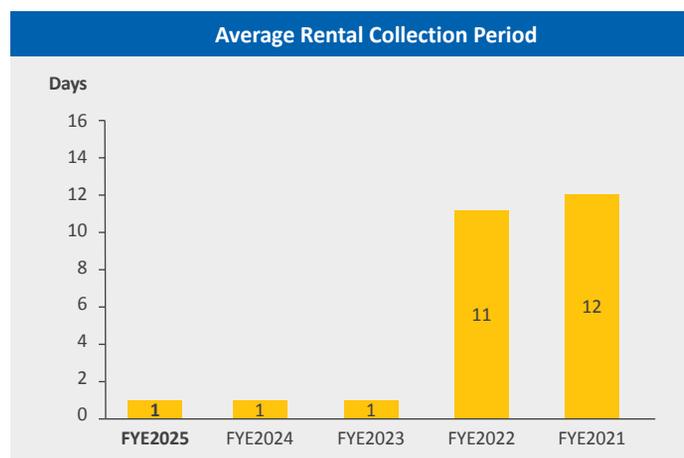


Liquidity and Credit Position

As at 31 December 2025, the Fund maintained a strong liquidity position, with cash balances and short-term Islamic deposits amounting to RM77.9 million. Together with committed but undrawn financing facilities of RM883.0 million, the Fund maintained sufficient liquidity to meet its working capital and operating requirements while supporting continued portfolio growth.

Liquidity is actively monitored against the Fund's strategic and operational plans to ensure the availability of adequate financial resources and credit facilities to meet ongoing funding needs.

The Fund's financing profile remains well-managed, with maturities staggered over the next ten years, resulting in an average facility maturity of 4.1 years as at 31 December 2025. This structure provides flexibility and mitigates refinancing risk. Subsequent to year end, following the completion of the second issuance of the Fund's rated 7-year Senior Sukuk on 5 January 2026, the Fund's financing maturity profile was further strengthened, extending the average financing maturity to approximately 5.1 years.



In addition to cash resources and financing facilities, the Fund maintains a strong focus on rental income collection and the proactive management of tenant and credit risks. Trade receivables were higher at just under RM1.6 million as at 31 December 2025 compared with RM0.8 million as at 31 December 2024. Receivables continued to be well-managed, with an average collection period of 1 day in December 2025. The Fund's regular tenant engagement and active asset management initiatives contributed to a strong overall rental collection rate of 99.6%, and also high tenant retention.

The Fund also maintains a stringent credit risk framework – supported by well-established internal controls – to minimise trade receivable impairments. In 2025, no impairment loss was recognised on trade receivables, and a small sum of previously recognised impairment losses was written back during the year. Overall, impairment losses on trade receivables have remained low as a percentage of gross revenue.

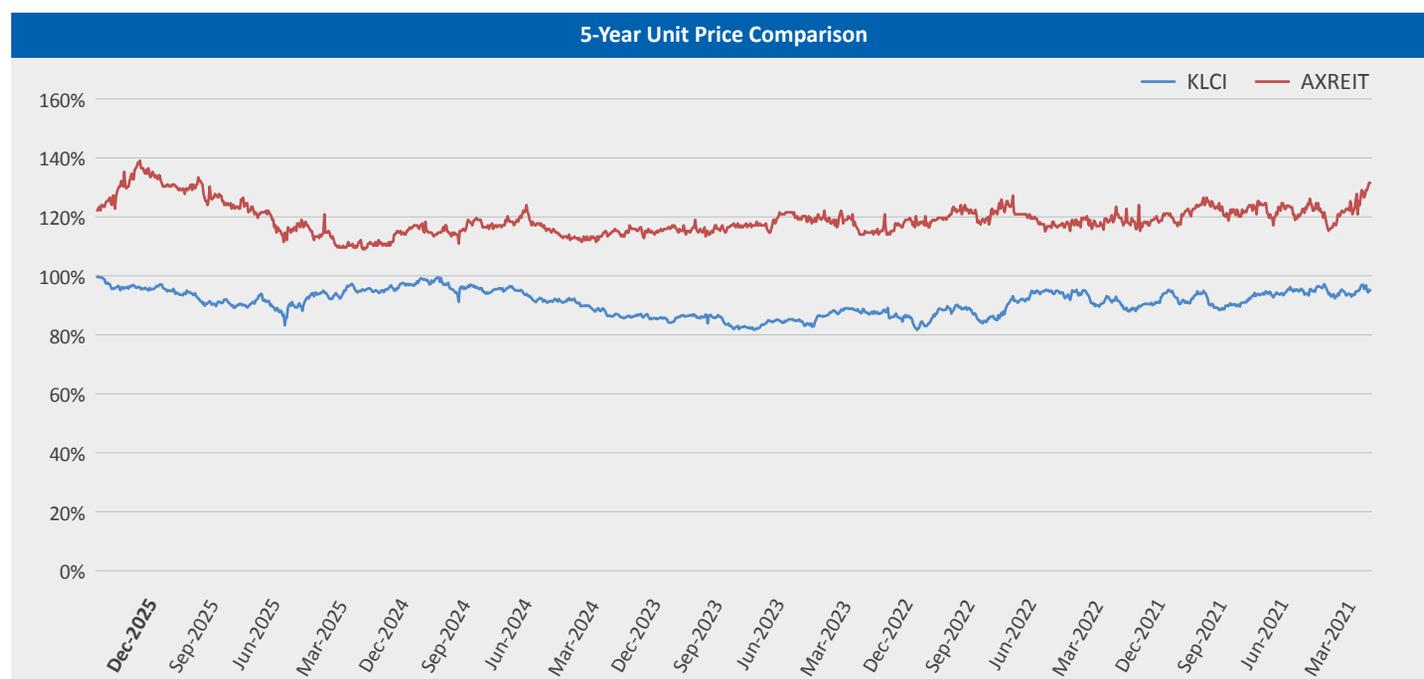
MANAGER'S DISCUSSION AND ANALYSIS

Impairment Losses on Trade Receivables	2025	2024	2023	2022	2021
Impairment losses on trade receivables/bad debts (written back)/written off (RM'000)	(7)	536	4,202	1,225	44
Trade receivables (RM'000)	1,580	773	957	6,479	8,107
Gross revenue before lease incentives and unbilled lease income receivable adjustments (RM'000)	362,043	319,034	285,401	281,723	242,747
Impairment losses on trade receivables/bad debts written off as a % of gross revenue	-	0.17	1.47	0.43	0.02
Average rental collection period (in days)	1	1	1	11	12

Unit Price Performance & Annual Return Highlights

In 2025, Axis-REIT's Unit price traded between RM1.71 and RM2.20, representing a wider trading range compared to the preceding year. The performance was influenced by overall market conditions, as the FBM KLCI moved within a range of 1,419 to 1,684 points amid fluctuating investor sentiment.

Market sentiment remained positive, supported by continued foreign capital inflows and Malaysia's standing as an attractive regional investment destination. Sectors linked to digital transformation, technology infrastructure, and sustainable development continued to see steady support. Ongoing investments in digital infrastructure, data centres, renewable energy, and advanced manufacturing supported a favourable environment for quality income-generating properties over the medium- to long-term.



MANAGER'S DISCUSSION AND ANALYSIS

Unit Price Highlights

Opening Unit Price

RM1.73
2 January 2025

Lowest Traded Price

RM1.71
8 January 2025

Closing Unit Price

RM1.92
31 December 2025

Number of Unitholders

12,438
as at 31 December 2025

Highest Traded Price

RM2.20
3 November 2025

Number of Units in Issue

2,024,894,950
as at 31 December 2025

Transaction Volume Highlights

Total Trading Volume

665,485,000

Highest Monthly Volume

142,146,000
October 2025

Average Monthly Volume

55,457,000

Lowest Monthly Volume

22,031,000
April 2025

5-Year Unit Price Performance Highlights

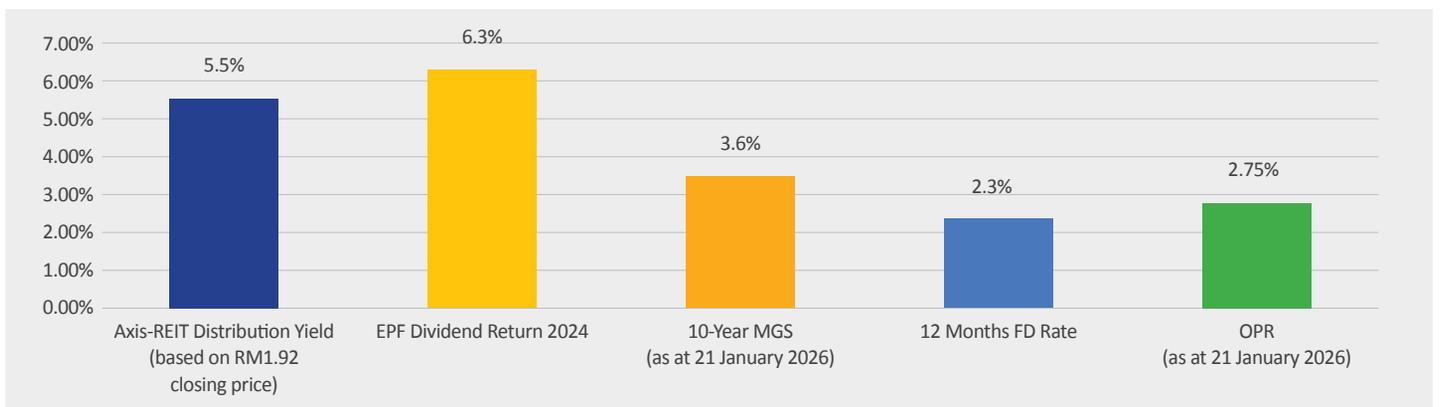
	2025	2024	2023	2022	2021
Closing Unit Price as at 31 December (RM)	1.92	1.73	1.79	1.79	1.94
High (RM)	2.20	1.94	1.94	2.00	2.11
Low (RM)	1.71	1.71	1.77	1.78	1.81
NAV per Unit (RM)	1.69	1.64	1.62	1.57	1.55
Market Capitalisation (RM'000)	3,887,798	3,478,151	3,128,011	2,937,487	3,170,977

MANAGER'S DISCUSSION AND ANALYSIS



COMPARATIVE ANNUAL RETURNS

Axis-REIT's DPU for FYE2025 translated to a yield of 5.5%, remaining competitive against comparable investment benchmarks including the EPF Dividend Rate and the 12-month Fixed Deposit (FD) Rate. The DPU yield is based on the Fund's closing Unit price of RM1.92 as at 31 December 2025.



MANAGER'S DISCUSSION AND ANALYSIS

Operations Review

Property Portfolio Overview



Portfolio Size:
69 properties
(2024: 69) 

Number of Tenants:
181 (2024: 177) 

Occupancy:
94% (2024: 95%) 

Total Space Under Management:
15,093,420 sq. ft.
(2024: 15,155,305 sq. ft.) 



Axis-REIT celebrated its 20th anniversary in 2025, continuing to build positive momentum in scaling our portfolio for sustainable long-term growth.

Portfolio Developments

During the financial year under review, the portfolio divested The Annex and acquired Axis Facility 4 @ Bukit Raja, maintaining a total portfolio size of 69 properties. The disposal of The Annex generated a net gain of RM8.8 million, while the acquisition of Axis Facility 4 @ Bukit Raja provided an opportunity to develop an additional manufacturing facility, reinforcing the REIT's strategic focus on logistics and industrial assets.

As at 31 December 2025, total space under management stood at 15,093,420 sq. ft., a marginal decline of 0.4% from 15,155,305 sq. ft. in the previous year. This reduction was primarily due to the disposal of The Annex and the conversion of 13,652 sq. ft. at Pasir Gudang Logistics Warehouse 2 into a development site for a proposed new warehouse. Construction is commencing in the first quarter of 2026 and is scheduled for completion by the end of 2026, which is expected to add approximately 74,000 sq. ft. of space to the portfolio.

Tenant Base and Engagement

At year-end, Axis-REIT's tenant base comprised 181 tenants, primarily from the logistics, manufacturing, and services sectors. This diversified profile mitigates concentration risk and supports income stability.

The Manager places strong emphasis on cultivating long-term, mutually beneficial tenant relationships. Regular engagement sessions are conducted to understand tenants' operational requirements, expansion plans, and space optimisation strategies. These proactive efforts enable timely asset enhancements, effective lease management, and improved tenant retention.

Tenant satisfaction remained strong, exceeding targets. The 2025 Annual Tenant Satisfaction Survey recorded a score of 7.62 (out of 10), against a target of 7, while the *Hello Axis* Service Request Satisfaction Ratings of 4.27 out of 5 also surpassed a target of 4.

As part of our sustainability objectives, the Manager also collaborates with tenants to promote responsible occupancy practices, operational efficiency, and alignment with ESG initiatives. These partnerships strengthen portfolio resilience and contribute to sustainable long-term value creation for Unitholders.

 More information about tenant management is presented in the Management of Material Sustainability Matters section.

Operating Performance

Our property portfolio continued to deliver strong operating results, supported by:

- **Robust Tenant Retention:** Renewals were secured for 73% of space that came up for renewal in 2025 (by NLA), while a further 11% were successfully re-tenanted. In total, 84% of the portfolio was renewed or re-tenanted.

MANAGER'S DISCUSSION AND ANALYSIS

- **High Occupancy:** Portfolio occupancy stood at 94% as at 31 December 2025, exceeding the target of maintaining occupancy above 90%.
- **Positive Rental Reversion:** Rental reversion of 3.5% was achieved, with re-tenanted space commanding rents 15% higher than previous levels. This rate moderated from 5.3% in 2024, partly due to minor push back from tenants with the implementation of the Sales and Services Tax (SST) in 2025.

Sustainability Achievements

Axis-REIT's sustainability agenda advanced meaningfully in 2025, marked by progress across multiple initiatives that strengthened the resilience and long-term value of the portfolio. Key achievements included the expansion of green building certifications, alongside ongoing efforts to embed energy efficiency, tenant collaboration, and responsible practices throughout operations.

Highlights of 2025 Achievements

- Obtained GreenRE Bronze certification for Axis Facility @ Batu Kawan
- Developed the Fund's Carbon Neutrality by 2050 Roadmap
- Revised GHG reduction targets in line with the Carbon Neutrality by 2050 Roadmap
- Upgraded parking systems to cashless and Licence Plate Recognition (LPR) systems at Menara Axis and Crystal Plaza
- Installed EV charging stations at Menara Axis
- Collected energy and GHG data from 88% of tenants (by NLA) to strengthen Scope 3 reporting

In 2025, the portfolio earned an additional green building certification for Axis Facility @ Batu Kawan, bringing the total to seven certifications across six properties. Certification applications for two upcoming developments are planned for the year ahead.

Green-Certified Properties (as at 31 December 2025)



DW1 LOGISTICS WAREHOUSE
GBI CERTIFIED



BUKIT RAJA DISTRIBUTION CENTRE 2
GreenRE GOLD



AXIS MEGA DISTRIBUTION CENTRE (PHASE 2)
GreenRE GOLD



AXIS FACILITY 2 @ BUKIT RAJA
GreenRE SILVER



AXIS MEGA DISTRIBUTION CENTRE (PHASE 1)
GreenRE SILVER



AXIS FACILITY @ BATU KAWAN
GreenRE BRONZE



AXIS AEROTECH CENTRE @ SUBANG
GreenRE BRONZE

MANAGER'S DISCUSSION AND ANALYSIS

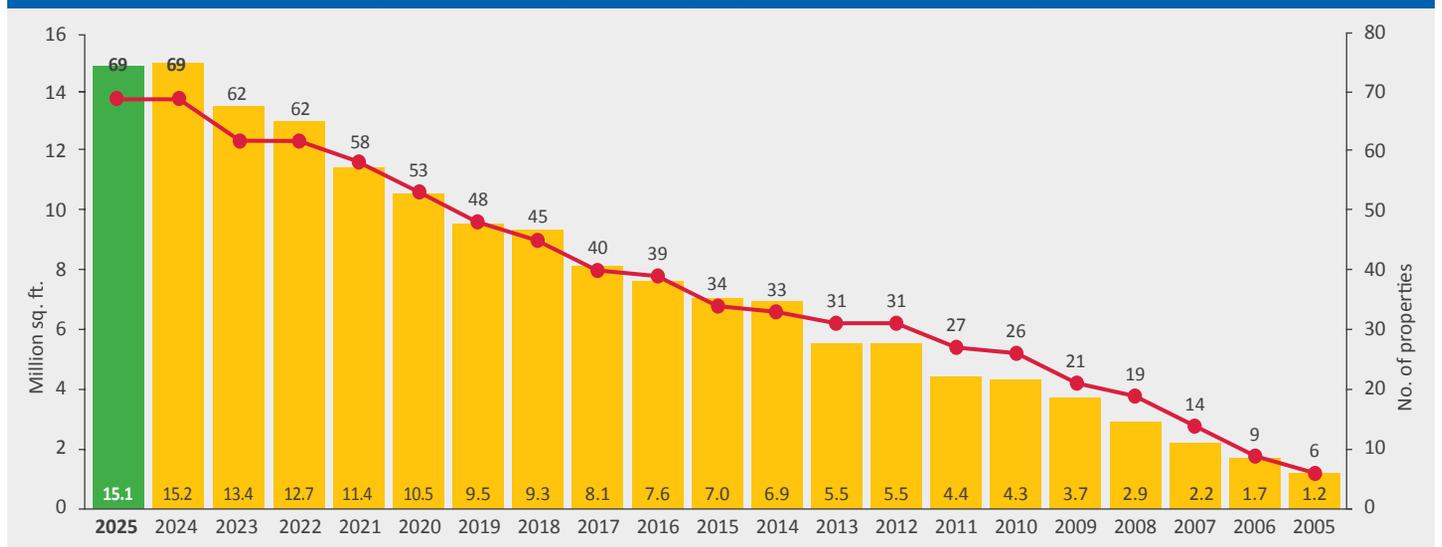
Sustainability remains central to our operations and portfolio strategy. Key initiatives in the coming year will include:

- Procurement of green energy to meet Scope 1 and 2 GHG reduction targets in line with our Carbon Neutrality by 2050 Roadmap
- Collaboration with the Energy Commission to obtain BEI star ratings for nine multi-tenanted buildings
- Ongoing collection of energy, water, and waste data from tenants as well as expanding Scope 3 GHG disclosures to include supplier data
- Enhancing the portfolio with green features where suitable, such as EV charging stations, renewable energy integration, and rainwater harvesting tanks



More information about our sustainability initiatives is presented in the Management of Material Sustainability Matters section.

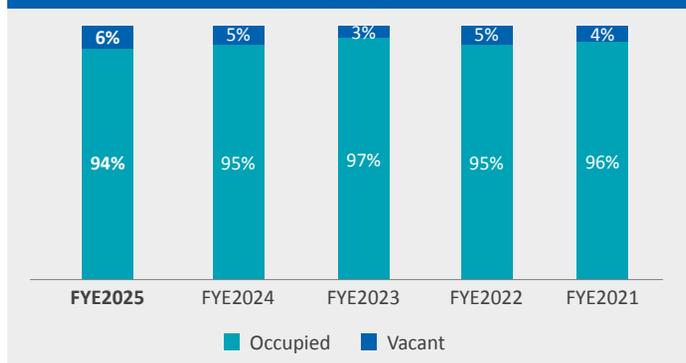
Space Under Management: Marginally down 0.4% to 15.1 million sq. ft.



The slight 0.4% decline in total space under management in 2025 is due to divestment of The Annex and development initiatives at Pasir Gudang Logistics Warehouse 2.

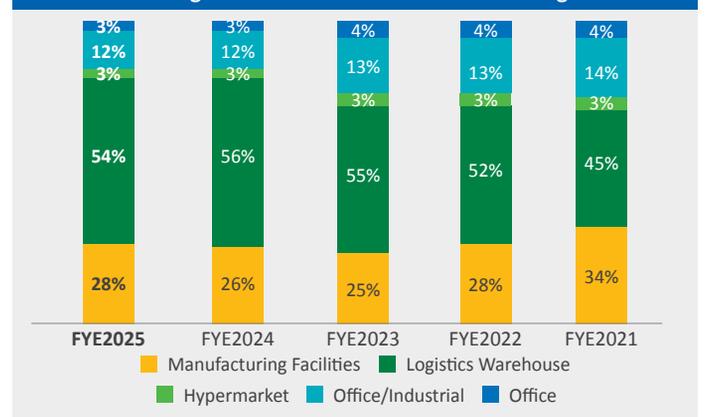
Axis Facility 4 @ Bukit Raja, a 7-acre parcel of land acquired in 2025, is slated for development and currently does not contribute to portfolio NLA or rental income. Development of a new manufacturing facility on this land is scheduled to begin in the second quarter of 2026, with completion targeted for the end of 2027.

Portfolio Occupancy: Slight decline to 94%



The occupancy rate declined marginally to 94% in 2025 from 95% in 2024, following lease expiries at Bukit Raja Distribution Centre and Seberang Prai Logistics Warehouse 2.

Portfolio composition by property type: Focused on logistics warehouses and manufacturing facilities

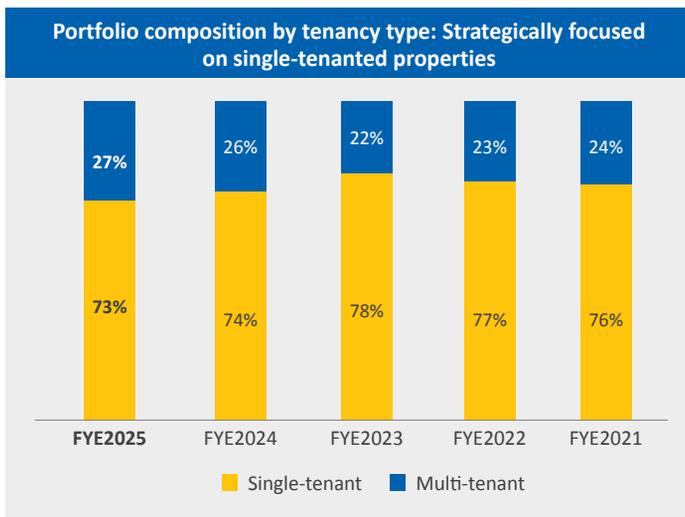


Logistics warehouses and manufacturing facilities still maintain dominant in Axis-REIT's portfolio, accounting for 54% and 28% of NLA respectively.

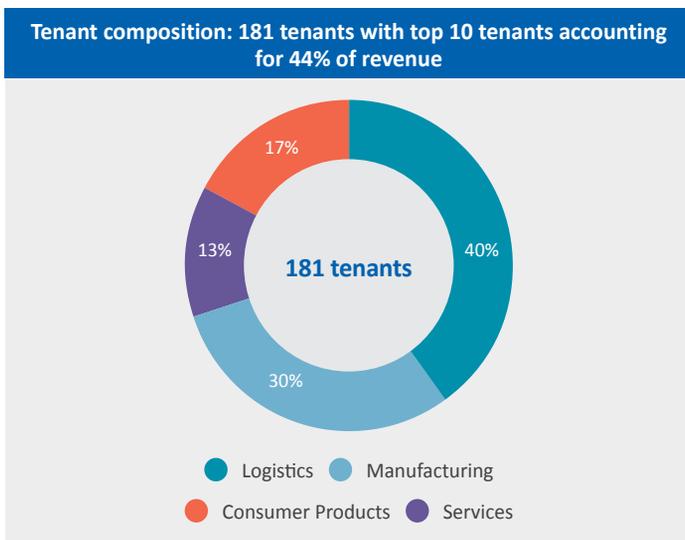
MANAGER'S DISCUSSION AND ANALYSIS

As at 31 December 2025, single-tenanted properties accounted for 73% of the Fund's portfolio, compared with 74% in 2024.

Single-tenanted properties typically offer longer lease tenures and are predominantly occupied by multinational corporations or industry leaders, resulting in lower tenant default risk. These leases often incorporate pre-agreed rental step-ups and reduce operating cost exposure for the Fund, as property maintenance obligations are largely borne by tenants. This structure provides a natural hedge against inflationary pressures on operating expenses.



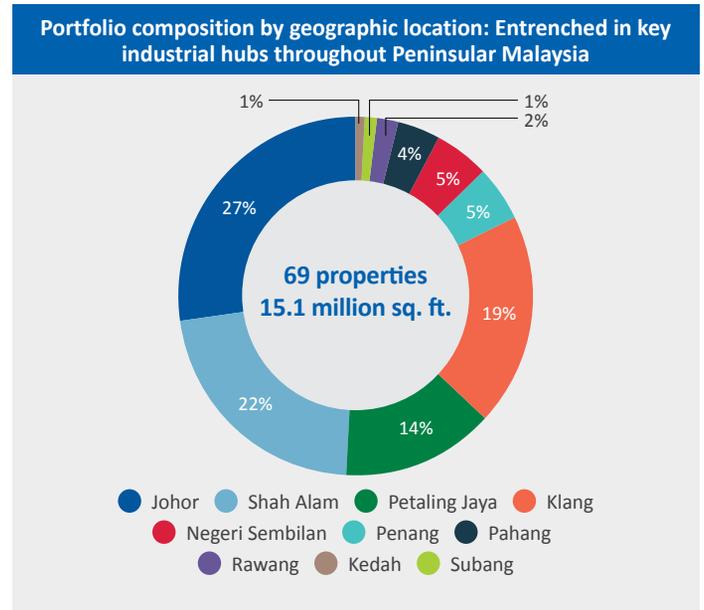
Our portfolio continues to attract and retain an impressive tenant listing. Our tenants are mainly involved in manufacturing and logistics, consumer products, as well as the service industry.



The tenant base has remained stable and well-diversified, with a total of 181 tenants as at 31 December 2025.

The Fund's ten biggest tenants, ranked by revenue contribution, accounted for 44% of total revenue. Ranking of the Fund's top ten tenants as at 31 December 2025 is as follows:

Equalbase PTP Sdn Bhd	Amsteel Mills Sdn Bhd
Nestlé Products Sdn Bhd	SPX Xpress (Malaysia) Sdn Bhd
Schenker Logistics (Malaysia) Sdn Bhd	Wasco Coatings Malaysia Sdn Bhd
Beyonics Precision (Malaysia) Sdn Bhd	Malconrep Depot (M) Sdn Bhd
Upeca Aerotech Sdn Bhd	LF Logistics Services (M) Sdn Bhd



Geographically, our portfolio footprint remains focused on key industrial hubs throughout Peninsular Malaysia.

58% of our portfolio (by NLA) is located in Klang Valley, followed by 27% in Johor, 5% in Penang and Negeri Sembilan respectively, 4% in Pahang, and 1% in Kedah.

Our pipeline of upcoming acquisitions continues to focus on key industrial hubs in Klang Valley, Johor, and Penang.

MANAGER'S DISCUSSION AND ANALYSIS

Tenancies Committed

In 2025, 3.8 million sq. ft. of NLA in our portfolio came up for renewal. The Real Estate Team successfully contracted renewals for 2.8 million sq. ft., which translates to a retention rate of 73%. We also secured new tenants for 11% of vacated space during the year. These efforts resulted in a positive rental reversion of 3.5% for the year, with portfolio occupancy holding up at 94% as at 31 December 2025.

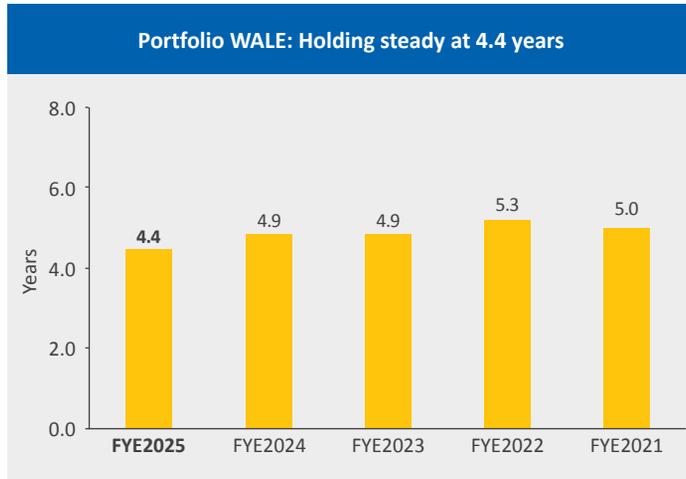
Portfolio Lease Expiry Profile by Location, 2025 – 2027

YEAR	2025			2026			2027		
	Lease Expiry by Location	Due for Renewal (sq. ft.)	% of Total NLA	% of Rental Income/month	Due for Renewal (sq. ft.)	% of Total NLA	% of Rental Income/month	Due for Renewal (sq. ft.)	% of Total NLA
Petaling Jaya	744,078	4.93	7.87	600,108	3.98	6.02	432,291	2.86	5.06
Subang	30,250	0.20	0.44	-	-	-	-	-	-
Shah Alam	1,161,050	7.69	6.38	911,225	6.04	5.72	639,391	4.24	3.84
Klang	470,967	3.12	2.58	445,410	2.95	2.79	63,630	0.42	0.40
Rawang	-	-	-	-	-	-	282,152	1.87	1.24
Johor	852,306	5.65	3.34	360,193	2.39	1.49	1,391,208	9.22	7.88
Negeri Sembilan	291,642	1.93	1.00	148,011	0.98	0.52	-	-	-
Penang	147,985	0.98	0.78	205,151	1.36	1.82	501,317	3.32	2.64
Kedah	138,000	0.91	1.04	-	-	-	-	-	-
TOTAL	3,836,278	25.41	23.43	2,670,098	17.70	18.36	3,309,989	21.93	21.06

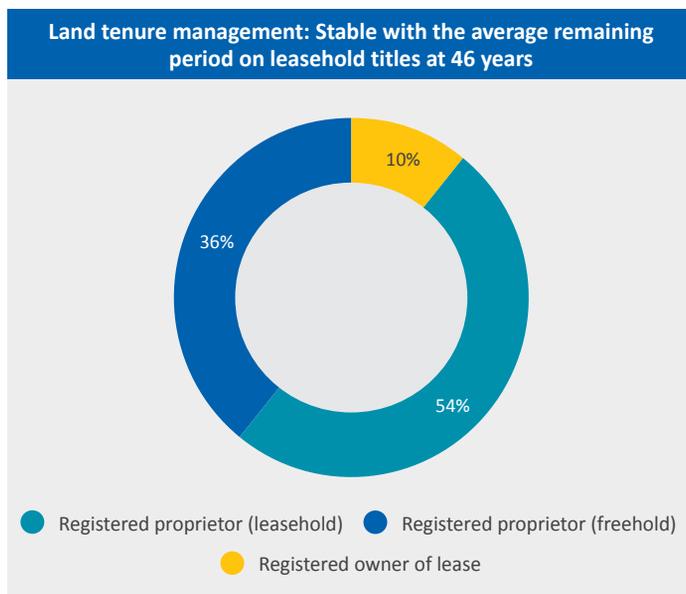
Portfolio Lease Expiry Profile by Type, 2025 – 2027

YEAR	2025			2026			2027		
	Lease Expiry by Type	Due for Renewal (sq. ft.)	% of Total NLA	% of Rental Income/month	Due for Renewal (sq. ft.)	% of Total NLA	% of Rental Income/month	Due for Renewal (sq. ft.)	% of Total NLA
Office	132,517	0.88	1.82	62,145	0.41	0.86	203,840	1.35	3.10
Office Industrial	740,074	4.90	7.24	537,963	3.57	5.16	277,849	1.84	2.39
Logistics Warehouse	2,341,030	15.51	11.56	2,028,929	13.45	12.08	1,603,575	10.62	8.31
Manufacturing Facilities	484,657	3.21	1.77	41,061	0.27	0.26	1,224,725	8.12	7.26
Hypermarket	138,000	0.91	1.04	-	-	-	-	-	-
TOTAL	3,836,278	25.41	23.43	2,670,098	17.70	18.36	3,309,989	21.93	21.06

MANAGER'S DISCUSSION AND ANALYSIS



Our portfolio WALE held steady at 4.4 years (by rental) in 2025, with only a slight decline from 4.9 years in 2024.



Axis-REIT's portfolio consists of freehold and leasehold properties, as well as land held under registered leases.

As at 31 December 2025, 54% of the portfolio was held via leasehold titles, while a further 10% were properties held under registered leases. The 36% balance were freehold properties.



The Manager actively monitors and manages the expiry profiles of leasehold properties. The leasehold properties in our portfolio had, on average, 46 years to expiry, with the shortest remaining lease period at a comfortable 24 years. Nevertheless, in 2025, we worked towards the lease extension of one property, which is about to complete. The cost of the extension amounted to RM6.6 million. We have also looked into a more robust review of the leasehold tenure of the portfolio and have identified six properties for future leasehold extension.

MANAGER'S DISCUSSION AND ANALYSIS

Investment Review

We continued to build on the Fund's pipeline in 2025, underpinned by a clear acquisition strategy targeting properties in key industrial areas with mature infrastructure and amenities. We acquired Axis Facility 4 @ Bukit Raja, and additionally entered into three SPAs amounting to RM164.6 million.

The first and second proposed acquisitions in 2025 were both located in Port Klang. The first comprised a warehouse facility in Telok Gong, for a cash consideration of RM80.0 million, while the second was an industrial property in Kawasan Industri Bandar Sultan Suleiman, for a cash consideration of RM50.0 million. These two proposed acquisitions will add to Axis-REIT's presence in Port Klang, which was named one of the world's top ten busiest container ports by Lloyds List of the World's Top 100 Ports 2025.

The third proposed acquisition, for a cash consideration of RM34.6 million, is located in Kawasan Perindustrian Senai, Johor. The site is strategically located near key amenities, like the Senai International Airport and the Second Link Highway which connects Johor and Singapore. The acquisition involves the vendor developing a pre-leased industrial facility in accordance with the specifications required by Axis-REIT's existing tenant, FCI Connectors Malaysia Sdn Bhd. Completion is expected in the fourth quarter of 2027.

Axis-REIT has also entered into a conditional letter of offer to acquire industrial buildings in Seberang Perai Tengah, Penang for the amount of RM800.0 million. Strategically located near Penang Port, the property enjoys excellent connectivity, including direct access to a nearby railway line. Notably, the site is one of the few remaining parcels of freehold land in

Penang, providing enhanced flexibility for leasing strategies and potential development opportunities. Due diligence is currently in progress.

These proposed acquisitions showcase Axis-REIT's strategy of acquiring assets in key industrial areas with matured amenities.

As part of our strategy to actively manage our portfolio, Axis-REIT disposed of The Annex to its occupying tenant for a cash consideration of RM24.2 million, resulting in a net gain of RM8.8 million.

On the property development front, we have focused on planning and strengthening the pipeline for future projects scheduled to commence in 2026. We continue to seek out brownfield development opportunities within Axis-REIT's existing portfolio to realise the full potential of such properties. These developments remain especially promising, enhancing the value of older properties in prime industrial areas that are in need of enhancements or have leases nearing expiration.

Beyond our acquisitions and development efforts, the Fund continued to invest RM13.9 million in strategic AELs during the year to maintain, enhance, and preserve the value of existing properties.

Details of our property acquisitions, ongoing development projects, and AELs are presented in the following pages.



Aerial View of proposed acquisition in Kawasan Industri Bandar Sultan Suleiman

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF ACQUISITION IN 2025



Property Name	Axis Facility 4 @ Bukit Raja
Address	PT59358, Jalan Waja, Kawasan Perusahaan Bukit Raja, 41300 Klang, Selangor Darul Ehsan
Property Description	A Storage Yard
Property Type	Storage Yard
Property Age	Not Applicable
Title Details	H.S.(D) 119721, PT59358, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Approximately 7.13 acres
Land Tenure	99-year leasehold expiring on 22 October 2088
Gross Floor Area	Not Applicable
Existing Use	Storage Yard
Occupancy Rate	The Property is unoccupied and the Fund is in the midst of developing the storage yard to maximise its potential use
Date of Acquisition	5 December 2025
Purchase Price	RM38.8 million
Vendor	Amsteel Mills Sdn Bhd

SALIENT DETAILS OF AN ONGOING ACQUISITION IN 2025 (COMPLETED IN JANUARY 2026)



Property Name	Axis Industrial Facility 1 @ Northport
Address	Dual road frontage property bearing the following addresses: <ul style="list-style-type: none"> (i) Lot 2, Lebuh Sultan Mohamed 1, Kawasan Industri Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan; and (ii) Lot 4, Jalan Sultan Mohamad 3, Kawasan Industri Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor Darul Ehsan.
Property Description	<ul style="list-style-type: none"> (i) A single-storey detached factory with double-storey office block annexed, a standalone double-storey office/canteen block and other ancillary buildings (Lot 2); and (ii) A single-storey detached warehouse with double-storey office block annexed together with ancillary buildings (Lot 4).
Property Type	<ul style="list-style-type: none"> (i) Lot 2 - Factory (ii) Lot 4 - Warehouse
Property Age	Approximately 27-32 years
Title Details	PN 111841, Lot No. 104096, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Approximately 9.0 acres
Land Tenure	99-year leasehold expiring on 10 March 2104
Gross Floor Area	240,641 sq. ft.
Existing Use	<ul style="list-style-type: none"> (i) Lot 2 - Factory (ii) Lot 4 - Warehouse
Occupancy Rate	The property is currently unoccupied and the Fund is in the midst of refurbishment and identifying tenant
Date of Acquisition	27 January 2026
Purchase Price	RM50.0 million
Vendor	Barry Callebaut Malaysia Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF DISPOSAL COMPLETED IN 2025



Property Name	The Annex
Address	No. 4, Jalan 19/1, Seksyen 19, 46300 Petaling Jaya, Selangor Darul Ehsan
Property Description	A single-storey warehouse annexed with a double-storey office
Property Type	Sports Centre
Property Age	Approximately 42 years
Title Details	PN 3946, Lot 30 Seksyen 36, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor
Land Area	Approximately 1.52 acres
Land Tenure	Leasehold expiring on 3 November 2062
NLA	45,400 sq. ft.
Date of Disposal	30 April 2025
Occupancy upon Disposal	100%
Original Cost of Investment	RM12.0 million
Market Value	RM23.0 million (based on valuation report dated 20 January 2025)
Independent Valuer	Raine & Horne International Zaki + Partners Sdn Bhd
Disposal Price	RM24.2 million
Purchaser	Basic Eight (M) Sdn Bhd

Upcoming Development: Pasir Gudang Logistics Warehouse 2

The Manager commences the development of Pasir Gudang Logistics Warehouse 2 in the first quarter of 2026. The development will involve the construction of a new logistics warehouse within the existing Pasir Gudang Logistics Warehouse 2 compound in Johor. The project will be undertaken on an approximately 3-acre parcel of land that was previously utilised as a container haulage yard. This initiative reflects part of the Fund's strategy to optimise land use and enhance the performance of its established portfolio.

The new facility will deliver an estimated built-up area of approximately 74,000 sq. ft. and will be designed as a single-tenant logistics warehouse. The design specifications incorporate modern loading infrastructure that will support efficient warehousing and distribution activities, including dock levellers and a high floor loading capacity. Sustainability considerations have been embedded into the design, with the development targeting GreenRE Gold certification in line with the Fund's ESG commitments.



Pasir Gudang Logistics Warehouse 2

The development is expected to be completed by the end of 2026. The total development cost is estimated at approximately RM21 million. Upon completion, the additional warehouse space is expected to complement the existing property and strengthen the overall income-generating potential of Pasir Gudang Logistics Warehouse 2.

MANAGER'S DISCUSSION AND ANALYSIS

Upcoming Development: Axis Facility 4 @ Bukit Raja

The Manager is planning the development of the newly acquired Axis Facility 4 @ Bukit Raja on a 7-acre site located in Bukit Raja, Klang, Selangor. Construction is targeted to commence in the first quarter of 2026. The site previously housed an Amsteel Mills Sdn Bhd's manufacturing facility and has since been cleared and repositioned for industrial redevelopment. This project reflects the Fund's continued focus on expanding its portfolio of modern industrial and manufacturing facilities within established industrial corridors.

The proposed development will comprise a manufacturing or factory facility with an estimated gross built-up area of approximately 180,000 sq. ft. The building will be designed for leasing flexibility, allowing it to be occupied by either a single tenant or subdivided to accommodate up to two tenants, depending on market demand. The facility will incorporate contemporary industrial specifications that meet the operational requirements of manufacturing users, including dock levellers and high floor loading capacity.

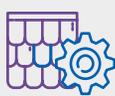
The development targets GreenRE Gold certification and will integrate ESG-related features consistent with Axis-REIT's sustainability framework. Completion of the project is expected by the first half of 2027. Upon completion, Axis Facility 4 @ Bukit Raja is expected to broaden the Fund's industrial offerings and support long-term portfolio growth.

Asset Enhancement Initiatives (AEI)

During the year, we continued to implement targeted AEIs across selected properties as part of our strategy to preserve and enhance the long-term value of the Fund's portfolio. These initiatives are designed to ensure our assets remain competitive, modern, and aligned with evolving market requirements.

In line with our sustainability commitments, AEIs that we undertake incorporate elements of green building design and, where feasible, include retrofitting works using energy-efficient systems, sustainable materials, and other environmentally responsible features. This approach enhances both the quality and resilience of our portfolio while reinforcing the Fund's Environmental Policy objectives. In turn, these efforts contribute meaningfully to our broader ESG agenda and deliver value to our stakeholders.

In 2025, the Fund allocated RM13.9 million towards AEIs, with key initiatives targeting 13 properties across the portfolio. These projects included:

Sustainability and Efficiency				
				
Installed EV charging stations	Upgraded roof insulation	Upgraded cooling tower in-fills		
Accessibility and Tenant Experience				
				
Upgraded parking systems to cashless and LPR systems	Installed a new passenger lift	Installed a ramp for disabled access		
Safety and Compliance				
				
Upgraded fire alarm panels	Installed new high tension transformer electrical cables			
Building and Infrastructure Improvements				
				
Repainted external building façades	Upgraded a driveway	Upgraded a sewer line	Enhanced roofs and gutters	Upgraded domestic cold-water piping
 More information about our AEIs and our initiatives to incorporate ESG considerations in our portfolio are presented in the Management of Sustainability Matters section on pages 119 to 120 of this Report.				

Looking ahead, we will continue to invest in strategic AEIs that will drive the value, sustainability, and profitability of the Fund.

MANAGER'S DISCUSSION AND ANALYSIS

Investor Engagement, Research, and Media Coverage

In 2025, the Fund continued to engage actively with investors and key stakeholders through conferences, analyst briefings, corporate presentations, and one-on-one meetings. These engagements provided timely updates on the Fund's operational and financial performance, as well as its strategic direction, while enabling the management team to gather valuable feedback from both local and foreign investors.

Engagement activities were conducted via a combination of physical and virtual platforms to facilitate broader participation. The Fund's 13th Annual General Meeting (AGM) was held in person, providing Unitholders with the opportunity to interact directly with the Board and Management of the Manager.

	INVESTOR CONFERENCES	4
	ONE-ON-ONE AND PRIVATE GROUP MEETINGS/SITE VISITS/ROADSHOWS	12
	ANALYST BRIEFINGS	2
	REIT/PROPERTY/SME/INDUSTRY EVENTS	5
	AGM	1

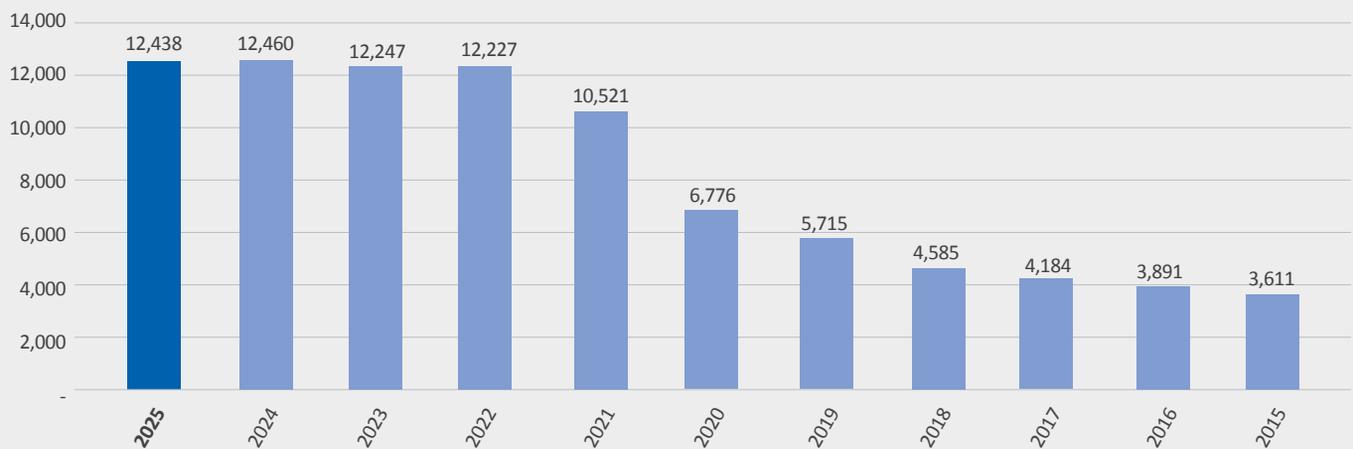
MANAGER'S DISCUSSION AND ANALYSIS

Research Coverage

Affin Hwang Investment Bank	BIMB Securities	Public Investment Bank
CGS International Securities	Hong Leong Investment Bank	UOB Kay Hian Research
Kenanga Investment Bank	CIMB Securities	Maybank Investment Bank
MBSB Investment Bank	RHB Research	CLSA

CDS Account Holders

No. of Account Holders



MANAGER'S DISCUSSION AND ANALYSIS

Selected Media Coverage



LOGISTICS, WAREHOUSING BOOM

CIMB Securities bullish on Axis-REIT

KUALA LUMPUR: Axis Real Estate Investment Trust (Axis-REIT) is tapping the logistics and warehousing boom with a RM50 million acquisition of a prime industrial asset in Port Klang, to lift recurring income and strengthen its long-term portfolio value.

In 2024, the country's gross e-commerce merchandise value surged 16 per cent to RM136.55 billion, driving demand for next-generation warehouses, distribution centres and fulfilment hubs.

Malaysia's partnership with BRICS and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership trade pact is enhancing its appeal as a cost-competitive Southeast Asian hub for multinationals funneling capital into industrial parks, data centres and logistics facilities.

Analysing Axis-REIT's move as a textbook play for income and resilience in the Bandar Sultan Selatan industrial zone.

Axis-REIT is acquiring the site from Barry Callebaut Malaysia Sdn Bhd via trustee REIT Trustee Ltd, with completion targeted in the first quarter of 2026 and funding drawn from existing bank lines.

Although the asset currently lacks a tenant, Axis-REIT's unit price ticked higher after the announcement, reflecting investor confidence that management will secure a lease quickly.

"By locking in early to Malaysia's logistics upcycle, Axis-REIT is cap-

By locking in early to Malaysia's logistics upcycle, Axis-REIT is capturing a front-row seat to one of the country's strongest growth stories.

fits squarely into its strategy of securing quality, income-generating assets.

As of June 30, it managed 68 syariah-compliant properties in the Klang Valley, Johor, Penang, Felda, Negri Sembilan and Kedah, with a 97 per cent occupancy rate and a weighted average lease expiry of 4.6 years. The portfolio spans 15.11 million sq ft of net lettable area with a total asset value of RM5.21 billion.

CIMB Securities Sdn Bhd said Axis-REIT remains the firm's preferred pick, supported by resilient rental income, which is relatively insulated from softer retail spending.

For the six months ended June 30, Axis-REIT recorded a total income of RM190.1 million, an 18.4 per cent increase from RM162.2 million a year ago. Net income for the period climbed 18.4 per cent to

Axis-REIT's largest-ever acquisition signals growth

PETALING JAYA: Axis Real Estate Investment Trust's (Axis-REIT) proposal to acquire an industrial property in Seberang Perai, Penang, is a positive development, says CGS International Research.

Axis-REIT's proposed acquisition involves buying a 135.5-acre industrial property for RM800mil from Ann Joo Steel Bhd and then renting it back to the latter for eight years with an agreed initial monthly rent of RM4.16mil.

Notably, this is the largest-ever acquisition in Axis-REIT's corporate history in terms of transaction value.

"We are positive on the acquisition as it signals accelerating inorganic growth and aligns with the REIT's strategy of scaling high-quality industrial assets with long-term tenant income security, supporting incremental distribution per unit (DPU) accretion and in net asset value (NAV) per unit."

According to the research house, the property's strategic location will also reinforce Axis-REIT's appeal for logistics and manufacturing tenants within the northern industrial corridor in Malaysia.

It added that this was the REIT's third acquisition year-to-date, lifting total acquisition value for this year (FY25) to RM930mil, compared with RM719mil across eight deals last year.

"Based on the fixed monthly rental of RM4.16mil, we estimate the asset will contribute about RM44mil a year in incremental net property income (NPI), equivalent to 14% of our FY26 NPI forecast."

However, the research house noted that the implied NPI yield of 5.6% is slightly below Axis-REIT's FY26 portfolio yield of 6.1%.

It reiterated its "add" call on the REIT

10 COMPANIES & STRATEGIES STARBUZ 7 SATURDAY 10 AM 10:30

By GANESHNARAN KANA
Senior Analyst, Research

AT a time when businesses are cautious about putting more money into the market, Axis Real Estate Investment Trust (REIT) is doing the opposite.

The fifth largest REIT by market capitalisation wants to acquire more new properties, banking on the shift in global supply chains amid the tariff war.

Axis-REIT believes the supply chain shift will potentially attract more companies into Malaysia to diversify their manufacturing and distribution bases.

Will this strategy work? Will Axis-REIT, which enjoys an average occupancy rate of 97%, be able to fill these new assets with quality tenants?

Axis-REIT's current portfolio of assets is already predominantly logistics warehouses and manufacturing facilities.

This is set to grow as the REIT goes on a shopping spree. By 2030, Axis-REIT wants to double its total asset value from RM5.21 billion to RM10.42 billion.

This means its asset value needs to grow by nearly 100% in just five years or so.

Less than three weeks ago, Axis-REIT announced a new acquisition value target of RM10.42 billion, which is a 100% increase from the RM5.21 billion target mentioned in January.

As an interview with StarBUZ 7, Axis-REIT acknowledges the concern over a slowing domestic economy, yet it believes that the timing is "appropriate" to scale up its acquisitions.

Leneg Kit May, Axis-REIT Managing Director and chief executive officer, said the company is confident that the current market environment is ripe for the REIT's strategy.

Leneg Kit May, Axis-REIT Managing Director and chief executive officer, said the company is confident that the current market environment is ripe for the REIT's strategy.

industrial region.

The country also offers stability to investors, both economically and politically.

"Malaysia's manufacturing, logistics and technology sectors also continue to expand, fueling demand for high-quality industrial assets and also for some of the vendors to go asset light to realign their capital."

"This will translate into increased demand for industrial and logistics properties, segments in which Axis-REIT has a strong and growing presence."

Leneg points out that the REIT is "selectively targeting" Grade A logistics and manufacturing facilities with long leases and strong tenant covenants in prime last-mile distribution locations.

"This strategy is not only yield-accrual but also enhances portfolio durability in the face of macroeconomic shifts."

Axis-REIT portfolio captures 68 properties currently, after the disposal of The Mines, a single-storey warehouse with a single-tenant offer, "was completed on April 30."

The Mines was sold for a total cash consideration of RM2.12 billion, a net gain on disposal of RM200m.

Without the Mines, logistics warehouses and manufacturing facilities make up approximately 99% of Axis-REIT's asset portfolio.

Interestingly, all 68 assets of Axis-REIT are located in Peninsular Malaysia.

This may change going forward as Leneg says the REIT is actively seeking potential investments in Sabah and Sarawak to diversify and provide more details about the identified assets for acquisition, adding that discussions are well ongoing.

The strategy to expand in the industrial sector, along with sustained demand in logistics and manufacturing, will be key drivers for Axis-REIT's earnings growth this year, says Leneg.

She also adds that Axis-REIT's continuous improvement in tenant mix and occupancy will help lift earnings.

Axis-REIT started its financial year 2025 (FY25) on a strong footing, having delivered a 19% year-on-year increase in total trust income and a 19% rise in net trust income in the first quarter.

A distribution of 2.5 sen per unit was declared for the quarter.

Leneg believes the REIT is well-positioned for a "stable and long-term" income growth in 2025, given its strong portfolio occupancy rate and a weighted average lease expiry of 4.8 years.

"As at March 31, we have grown our tenant base from 177 to 182 and increased the number of fully occupied properties from 95 to 94."

In its annual tenant satisfaction survey, Axis-REIT maintains a high property portfolio occupancy rate, Axis-REIT says it will continue to invest in strategic asset enhancement initiatives (AEI).

This year, Leneg did not mention the sustained expenditure for AEI in 2025 but for the first quarter of FY25, it spent about RM1.1mil on the enhancement

of its properties, including maintenance.

In the previous full-year FY24, the REIT spent RM18.5mil for AEI with a focus on industrial assets.

"We proactively carry out AEI to refurbish, upgrade and modernise selected properties to ensure they remain attractive and relevant in today's market."

"These enhancements not only improve property appeal and functionality, but also align with our environmental policy by incorporating green and sustainable features wherever possible," she says.

Asked about Axis-REIT's expected rental revenues for FY25, Leneg says the overall outlook remains favourable.

However, she cautions that revenues levels may vary depending on lease terms and market sentiment.

"Axis-REIT has consistently demonstrated strong FY24 revenue performance, achieving a 3.3% increase in FY24, following the 3.8% to FY23."

"This reflects the underlying strength of our asset quality and enhanced initiatives (AEI) this year."

"In FY25, we anticipate rental revenues to remain positive, driven by considerable tenant retention, and continued interest in our 'prime industrial zones,'" says Leneg.

■ The REIT wants to acquire new properties, banking on shift in global supply chains amid tariff war

■ By 2030, Axis-REIT wants to double total assets under management to RM10bil

■ Axis-REIT's improvement in tenant mix and occupancy will help lift earnings

Axis-REIT goes shopping



AXIS产托 收购带来1290万净利

最新进展

AXIS产托 (AKREIT, 5106, 主板产托股) 宣布, 出价8亿令吉, 向安裕资产 (AMN300, 6556, 主板工业股) 收购位于麻坡的一个工业资产。

该资产有永久地权的工业资产, 位于麻坡或省北工业, 包括了土地与地上建造的建筑, 总土地面积约135.53英亩。

交易概述, 这是该产托成立以来规模最大的之一宗收购。



基础率为6.2%, 分析假设, 利息成本为4%, 预计交易费用为产托带来1290万令吉净利贡献, 相当于2026财年盈利增加的6%。

●土地价格合理: 市场数据显示, 当地工业土地价格介于每平方英尺80至140令吉, 此次收购价格为每平方英尺136令吉, 大致符合市场水平。

●租户与租金变化: 安裕资产作为钢铁产品制造商与贸易公司, 将在交易完成后租回该资产8年, 并于第5年至第8年逐步交还部分使用空间。随着面积交还, 预计租金将在第7年至第8年降至344万令吉(5.2%), 第8年降至272万令吉(4.1%)。

●融资杠杆上升: 截至2025财年第三季, 产托持有现金约4500万令吉, 预计交易将完全以银行借贷融资, 其负债率将从0.33倍上升至0.50倍, 达到大马产托允许的最高杠杆上限。

●融资净额与评级: 由于向未披露工业资产公司及公司对其土地的未来计划, 分析员暂时保持观望态度。同时, 目标价维持在1.96令吉不变, 评级中“维持大市”评级。

●优质工业资产代表: 分析员表示, 随着工业资产需求持续增长, AXIS产托的基金经理选择本地工业资产领域的优质资产。风险因素则包括利率水平或低于预期, 以及租户租金违约等。

联昌国际证券:

- 资产详情: 该资产位于麻坡或省北工业, 地理位置优越, 靠近南北大道与麻坡港等主要物流枢纽。
- 融资详情: AXIS产托将在三个月内开展尽职调查与独立估值, 并有延长租约选项, 若所有条件完成, 双方将签署正式买卖协议 (SPA)。
- 长期稳定的盈利前景: 交易完成后, 安裕资产将维持租回该资产, 为期8年, 首5年每年租金为4990万令吉, 相当于约6.2%的收益率, 与该产托历史投资组合的平均水平相当。
- 潜在估值提升空间: 这将成为AXIS产托有史以来规模最大的之一宗收购, 进一步催化其在北马工业与物流走廊的布局, 同时, 将对该产托的盈利前景产生积极影响, 有望在资本增值空间。
- 带动周期增长: 假设上述交易以债务全额融资, 并在2026财年末完成, 预计可带动2027财年的每股单位盈利 (EPU) 与每股单位派息 (DPU) 增加约3%。至于负债率预计将比2025财年第三季33%。
- 评级与估值: 在交易完成前, 分析员维持对AXIS产托的“买入”评级, 目标价2.33令吉不变。

肯纳格投行研究:

- 资产收益稳健: 这项交易的前期总产业

目标价及评级

联昌国际证券 **CIMB Securities**
目标价: **2.33 令吉** 评级: **买入**

肯纳格投行研究 **Kenanga**
目标价: **1.96 令吉** 评级: **跟随大市**



Data collection and regulatory compliance a priority for Axis REIT

which was exacerbated by its reliance on tenants and suppliers to provide the data.

The issue was tackled through active engagement with relevant stakeholders to improve data sharing and transparency and by working closely with service providers to strengthen its reporting processes.

"The company faced another hurdle with the increasing stringent regulatory requirements in the market. With new requirements under the Energy Efficiency and Conservation Act and the National Sustainability Reporting Framework (NSRF), the bar for disclosure and compliance was rising, resulting in a need to be kept up-to-date with new regulations."

Leneg says the company has been able to stay on track by working closely with relevant government authorities and investing in training its employees to approach the matter holistically.

"By addressing these challenges head-on, we have not only maintained the quality of our ESG performance but also strengthened the foundation for more robust and transparent reporting in the years ahead," she says.

Leneg hopes to see more effective ESG adoption in the property sector, which will require collaborative efforts from all stakeholders, including the government, investors, tenants and landlords.

"For this vision to become a reality, she says, the government should continue to provide clear regulatory guidance,



"Ultimately, sustainability practices in the property sector can improve only if all parties work together to align expectations, share knowledge and support investments that build resilience and long-term value."

Leneg

supportive policies and incentives that encourage green practices, renewable energy adoption and sustainable financing.

Investors have a responsibility to place greater emphasis on long-term value creation through ESG performance, which will encourage more companies to embed sustainability into their core strategies.

Tenants and investors should also work together by strengthening data sharing to track energy and water usage, improve efficiency and reduce environmental impact.

"Ultimately, sustainable practices in the property sector can improve only if all parties work together to align expectations, share knowledge and support investments that build resilience and long-term value," Leneg says.

Axis REIT will continue to manage its existing challenges by working closely with stakeholders to gather data. This will enable the measurement and disclosure of financial implications due to climate-related risks in its integrated annual report.

"We are also focused on maintaining strong governance by ensuring compliance with the NSRF, the latest amendments to Bursa Securities' Main Market Listing Requirements on sustainability disclosures, and other evolving regulatory requirements," Leneg says.

"We will expand our Scope 3 greenhouse gas emissions disclosures, where materiality ensures continued progress in achieving our environmental goals."

ASK EDGE

12 Things You Must Know About Any Stock

MANAGER'S DISCUSSION AND ANALYSIS

2025 AWARDS AND RECOGNITIONS



The Edge Best Managed & Sustainable Property Awards 2025

- 1 Editor's Choice Awards – Excellence in Sustained Asset Competitiveness – Quattro West
- 2 10 Years and Above Non-Strata Office: Gold – Quattro West

NACRA Excellence Awards

SILVER

(RM2 billion to RM10 billion in market capitalisation)

The Asset Corporate Sustainability Leadership Awards 2025

PLATINUM

The Asset Triple A Islamic Finance Awards 2025

Best Islamic REIT - RM449.7 million primary placement

The Edge ESG Awards 2025

GOLD (REIT sector)



ESG BENCHMARKS AND INDEXES

GRESB Real Estate Benchmark
Peer group ranking:
2nd out of 6 peers

GRESB Public Disclosure Report
A

MSCI
BB

Morningstar Sustainalytics
ESG Risk Rating - Negligible Risk

FTSE ESG Score **4-STAR RATING** ★★★★★

- Constituent of:
- 1 FTSE4Good Bursa Malaysia Index; and
 - 2 FTSE4Good Bursa Malaysia Shariah Index

MANAGER'S DISCUSSION AND ANALYSIS

Market Outlook & Priority

Malaysia is expected to see sustained economic growth going into 2026, with GDP projected to grow between 4.0% and 4.5% in 2026. The resilience will stem from strong household spending amid stable employment conditions and controlled inflation, as well as supportive government policies that include targeted cash transfers and public sector wage adjustments. Visit Malaysia 2026 is also expected to drive tourism activities, providing further support for overall domestic demand.

Against this backdrop, we expect sustained demand for modern, strategically-located industrial properties amid continued investments into the manufacturing and logistics sectors, as well as the emergence of new, high growth sectors such as data centre properties. This will be driven by constructive government policies and targets that will grow strategic sectors and strengthen the development of industrial ecosystems.

As Axis-REIT embarks on growing in the next 20 years and beyond, we remain steadfast in our mission to provide consistent distributions to Unitholders by growing the property portfolio while upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.

We maintain our medium-term target of growing Axis-REIT's AUM to RM10 billion by the end of 2030, and toward this goal, we will continue to seek yield-accretive, value enhancing portfolio opportunities, particularly in high-growth sectors and key industrial hubs throughout Malaysia that align with our geographic strategies. We will also evaluate opportunities in emerging high growth areas that will inject diversity and enhance the resilience of our portfolio, ensuring that such prospects align with our strategic focus, sustainability considerations, and risk parameters.

We will ensure the Fund maintains prudent capital discipline to ensure we have sufficient liquidity to meet the capital requirements of the Fund's growth targets. This will include increasing our exposure to sustainable financing, and exploring the possibility of establishing a framework for green or sustainability-linked Sukuk issuances. We will also assess other financing avenues and engage a broader pool of potential investors to increase foreign investor participation in the Fund.

Operationally, we will ensure disciplined management of operating costs and prudent property management initiatives, ensuring balance between property updates (including installing EV charging stations and renewable energy upgrades), financial returns, and cash conservation.

SUSTAINABILITY

Sustainability continues to be a key driver in our capital management, portfolio, and operations strategies. Amid ever-increasing sustainability awareness among investors and tenants, Axis-REIT is committed to enhancing sustainability considerations across our ESG dimensions. We will ensure that the Fund's disclosures comply with NSRF and Bursa Securities' MMLR requirements on sustainability reporting, while remaining on course with the Fund's Carbon Neutrality by 2050 Roadmap.

With the benefits of insights from our 2025 climate scenario analysis, we have refined our sustainability targets, and now aim to achieve a 25% reduction in GHG emissions in five years (2026-2030), primarily through subscription to green energy tariffs. We have also updated our energy consumption target, now aiming to reduce the portfolio's energy consumption by 1% over five years (2026-2030). In line with our Carbon Neutrality by 2050 Roadmap, we plan to subscribe to GET from 2026 onwards, accelerating our transition towards clean energy and meeting the goals aligned with global climate ambitions.

As we broaden our Scope 3 reporting, we aim to obtain annual energy data from at least 90% of our tenants (based on NLA) in 2026, and will work to obtain BEI star ratings from the Energy Commission for the Fund's nine multi-tenanted properties. We will continue to retrofit at least one property in the portfolio with green features every year, and maintain our target of obtaining at least one additional green building certification for our portfolio every year.

Amid the rapid evolution of technology, we will take a measured approach in leveraging digital solutions to stay ahead of market and operational developments, enhance data driven decision-making, and optimise resource utilisation across the Fund's operations. In exploring the opportunities presented by new technology, we will remain mindful that any risk exposure, such as cybersecurity threats, data privacy concerns, and system reliability, remain within tolerable limits. Recognising that sustainability expertise is critical to our long-term success, we will continue to strive to attract, retain, and upskill our talent pool, equipping employees with the required knowledge and capabilities.

We will continue to emphasise community partnerships, and on the regulatory front, we will leverage our position as Chairman of the MRMA to actively engage policymakers and stakeholders to advocate for the renewal of the 10% withholding tax concession that had previously been granted to REITs. We believe an extension of the withholding tax concession will preserve Malaysian REITs' attractiveness as an asset class. We will continue to strongly work towards a resolution that supports the long-term stability and competitiveness of the sector as a whole. Our Corporate Strategy 2026-2027, which can be found on pages 92 to 99 of this Report, presents these plans and key performance indicators (KPIs) for the coming year in greater detail.

REPORT ON SHARIAH COMPLIANCE

On 11 December 2008, Axis-REIT became the first Malaysian REIT to be reclassified as an Islamic REIT. Since its successful reclassification, we have seen strong participation from investors who are seeking Shariah-compliant investment from both institutional and retail sectors.

BIMB Securities Sdn Bhd (BIMB Securities), which is a Registered Shariah Adviser with the SC, is the appointed Shariah Adviser of the Fund.

BIMB Securities' services include:

- Providing expertise and guidance on Shariah matters related to Axis-REIT, including matters relating to documentation, structure and investment instruments in accordance with relevant securities laws and guidelines issued by the SC;
- Ensuring that Axis-REIT is managed and administered in accordance with Shariah principles and all other requirements, standards, rulings, resolutions and guidelines issued by the Shariah Advisory Council (SAC) of the SC;
- Assessing new tenants and/or new properties to be acquired by Axis-REIT to ensure that all the activities of the said tenants and/or composition/contribution of non-permissible activities stay within the tolerable benchmark set by the SAC of the SC;
- Providing a report or statement to be included in the annual report of Axis-REIT stating the Shariah Adviser's opinion as to whether Axis-REIT has been operated and managed in accordance with Shariah, including Shariah principles, concepts and rulings issued by the SC;
- Consulting with the SC on ambiguity or uncertainty as to an investment, instrument, system, procedure and/or process; and
- Assisting and attending to any ad-hoc meeting called by the Manager, the SC and/or any other relevant authorities.

En. Muhammad Shahier bin Sa'min is the designated person responsible for the Shariah matters of Axis-REIT. He joined BIMB Securities as the Head of Shariah in October 2024 and is responsible for all Shariah-related matters at BIMB Securities. He has been appointed as the Designated Shariah Person. He holds a Bachelor of Shariah, majoring in Economics and Islamic Banking from Yarmouk University, Jordan, completed in 2014, and obtained a professional certificate, Associate Qualification in Islamic Finance from the Islamic Banking and Finance Institute Malaysia in 2019. In addition, he also holds the Certified Shari'a Adviser and Auditor certification from the Accounting and Auditing Organization for Islamic Financial Institutions. Prior to this, En. Shahier was the Head of Shariah at Yayasan Pembangunan Ekonomi Islam Malaysia from June 2021 to October 2024, where he oversaw Shariah governance and compliance across the YAPEIM group.

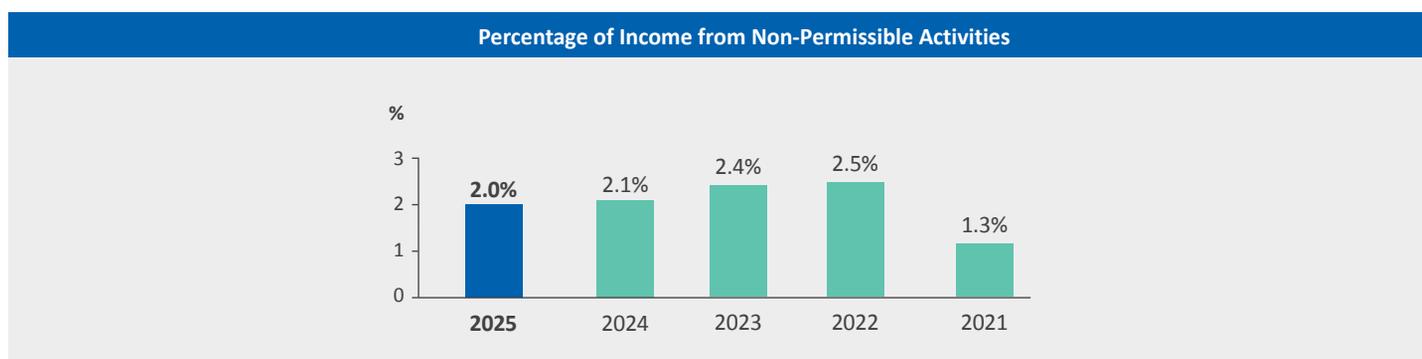
The Manager is pleased to report, based on the Shariah Adviser's Report, that:

- Under the guidance of BIMB Securities, Axis-REIT's portfolio recorded a non-permissible income level of 2.01% as at FYE2025; and
- The Islamic fund management business of Axis-REIT in respect of FYE2025 has been carried out in accordance with Shariah principles, concepts and rulings issued by the SC.

Based on the confirmation obtained from the Shariah Adviser:

- BIMB Securities does not have any conflict of interest or potential conflict of interest with Axis-REIT or its subsidiaries, Axis REIT Sukuk Berhad (ARSB) and ARTSB; and
- BIMB Securities has not been convicted of any offence within the past five years and does not have any public sanction or penalty imposed by the relevant regulatory bodies during FYE2025.

The diagram below shows the level of income from non-permissible activities for the past five years:



SHARIAH ADVISER'S REPORT

To the Unitholders of Axis Real Estate Investment Trust ("Axis-REIT")

We have acted as the Shariah Adviser of Axis-REIT managed by Axis REIT Managers Berhad ("the Manager") for the financial year ended 31 December 2025 ("FYE2025").

Our responsibility is to ensure that the procedures and processes employed by the Manager are in compliance with Shariah principles.

In our opinion, based on our monthly reviews in the FYE2025, the Manager has operated and managed Axis-REIT in accordance with Shariah principles and requirements, and complied with the applicable guidelines, rulings or decisions issued by the Shariah Advisory Council of the Securities Commission Malaysia pertaining to Shariah matters.

In addition, we wish to notify that, in respect of the FYE2025:

1. The investment portfolios of Axis-REIT do not include any non-real estate assets;
2. The percentage ratio of Shariah non-compliant rental is 2.01%, which is less than the permissible benchmark of 5%;
3. There was no acquisition of Shariah non-compliant property; and
4. There is no excess of Shariah non-compliant rental which to be channelled to *baitulmal* and/or charitable bodies as advised by us.

For and on behalf of the Shariah Adviser,
BIMB SECURITIES SDN BHD

MUHAMMAD SHAHIER SA'MIN
Designated Shariah Person

Kuala Lumpur
Date: 27 February 2026

OPERATING ENVIRONMENT

Axis-REIT's performance is inherently influenced by macroeconomic conditions, the physical environment, and the supply-demand dynamics of both global and domestic real estate markets. We continuously assess the Fund's operating environment to identify external factors that may affect business outcomes. This proactive evaluation enables us to remain resilient in anticipating challenges, mitigating unforeseen risks, and capitalising on emerging opportunities. By embedding these insights into our strategic planning, we reinforce our position as Malaysia's leading industrial REIT, ensuring sustainable growth, operational agility, and long-term value creation for Unitholders.

Macroeconomic Landscape

Our Response <small>(Link to Sustainability Matters)</small>	Economic Performance	Quality Assets & Services - New Acquisitions	Quality Assets & Services - Existing Assets	
Link to Business Strategy	Real Estate	Capital Management	Investment	Development

Impact on Business/Industry (positive and negative)

Malaysia showed strong economic growth throughout 2025, supported by resilient domestic demand, a stable labour market, and continued investments in high-growth value sectors.¹ From the supply side, growth peaked in the services and manufacturing sectors, driven primarily by consumer-related sub-sectors and high rates of production in electrical and electronics and consumer-related goods.²

In July 2025, the central bank decreased the OPR by 25 basis points, from 3% to 2.75%.³ This decision was made to keep Malaysia's economic growth momentum on track, encouraging spending and investment while cushioning the impact of any global slowdown.⁴ Market expectations for the OPR in 2026 are mixed, with some anticipating a potential rate cut to support growth amid weaker external demand, while others expect rates to remain stable as inflation moderates, providing a supportive environment for yield-oriented assets and earnings visibility.⁵

During the third quarter of 2025, the Ringgit strengthened, as its Nominal Effective Exchange Rate appreciated by 0.8% against the currencies of Malaysia's major trading partners. Progress on trade agreements between the US and several of its trading partners, including Malaysia, helped reduce uncertainty surrounding tariffs and lifted market sentiment, providing additional support to the Ringgit.⁶

Malaysian REITs (M-REITs) have sustained growth momentum in 2025, with the Bursa Malaysia REIT Index climbing from 875.44 points in January to 943.78 points in December.⁷ Forecasts indicate that M-REITs may achieve earnings growth of around 9.3%, with industrial REITs offering defensive yields of approximately 5%, while office sector fundamentals remain challenging. Rising land costs and limited prime sites continue to support industrial property prices, rental stability, and asset values for logistics and warehouse properties across Selangor, Johor, and Penang.⁸

However, M-REITs continue to face a key policy overhang as the 10% withholding tax concession on REIT distributions remains uncertain. If it is not renewed, affected investors (in particular individuals and foreign funds) would revert to their marginal income tax rates. This could potentially reduce post-tax yields and diminish the sector's attractiveness to foreign investors.⁹

2026 Outlook

Malaysia's economy is expected to grow between 4% and 4.5% in 2026. We remain focused on strategically positioning our operations to capture opportunities in key growth sectors. Government incentives and supportive policies, particularly in high-growth areas such as manufacturing and data centres, provide a strong foundation for portfolio expansion. Looking ahead, we are broadening our vision to engage foreign investors, further strengthening Malaysia's appeal as a destination for sustainable Foreign Direct Investment (FDI). We continue to leverage prevailing economic tailwinds

by pursuing new opportunities in emerging industries, enhancing the diversity and resilience of our portfolio.

As Chairman of MRMA, we are actively working with industry representatives to engage with the government on its 10% withholding tax concession. We remain committed in ongoing negotiations with policymakers and stakeholders, and will continue to strongly advocate for a resolution that supports the long-term stability and competitiveness of the M-REIT sector.

Additionally, we remain committed to engaging with our tenants to better understand challenges arising from the expansion of the SST framework. We aim to support tenants in navigating regulatory changes through proactive dialogue, safeguarding business sustainability and strengthening long-term partnerships.

1. Bernama, "Malaysia On Track For Higher End-2025 Growth After Strong 3Q GDP – PM Anwar", press citations, January 28, 2026, <https://mof.gov.my/portal/en/news/press-citations/malaysia-on-track-for-higher-end-2025-growth-after-strong-3q-gdp-pm-anwar>
2. Bank Negara Malaysia, "Economic and Financial Developments in Malaysia in the Third Quarter of 2025", press release, January 28, 2026, https://www.bnm.gov.my/-/qb25q3_en_pr
3. Bank Negara Malaysia, "Overnight Policy Rate Decisions, January 28, 2026, <https://www.bnm.gov.my/monetary-stability/opr-decisions>
4. New Straits Times, "Explainer: Why did Bank Negara cut interest rates?", January 28, 2026, Explainer: Why did Bank Negara cut interest rates? [BTTV]
5. New Straits Times, "Bank Negara likely to cut OPR in Q2 2026 to support growth, says CIMB Securities", January 28, 2026, https://www.nst.com.my/business/corporate/2025/11/1310102/bank-negara-likely-cut-opr-q2-2026-support-growth-says-cimb#google_vignette
6. Bank Negara Malaysia, "Economic and Financial Developments in Malaysia in the Third Quarter of 2025", January 28, 2026, https://www.bnm.gov.my/-/qb25q3_en_pr
7. Trading View, "Bursa Malaysia REIT Index", January 28, 2026, <https://www.tradingview.com/symbols/MYX-REIT/?timeframe=YTD>
8. Maybank Investment Bank, "Malaysia REITs Tourism-driven uplift, portfolio refresh to sustain yield", January 28, 2026, <https://mkefactsettd.maybank-ke.com/PDFS/506246.pdf>
9. Business Today, "Uncertainty Over REIT Withholding Tax Raises 2026 Sector Risk Outlook", January 28, 2026, <https://www.businesstoday.com.my/2025/12/07/uncertainty-over-reit-withholding-tax-raises-2026-sector-risk-outlook/#:~:text=Malaysia's%20real%20estate%20investment%20trust,confirmation%20yet%20on%20an%20extension>

OPERATING ENVIRONMENT

Digitalisation/Technological Change

Our Response
(Link to Sustainability Matters)



Tenant Satisfaction



Cybersecurity & Data Protection

Link to Business Strategy



Facilities Management



Governance



Investment



Real Estate



Development

Impact on Business/Industry (positive and negative)

Artificial Intelligence (AI) continued to be a major global focus in 2025, along with Software-as-a-Service solutions that help REITs address persistent challenges such as fragmented data, manual processes, and resource-intensive operations. These technologies enable REITs to operate more efficiently and make faster, more accurate, and more assertive decisions.

Cloud-based platforms can automate data intake, reconciliation, audit workflows, risk assessments, and performance reporting across various asset types. They also allow REITs to model risk situations, predict potential tenant payment delays, and optimise capital allocation at a faster rate and better clarity than before. Additionally, AI can uncover patterns and correlations across different asset classes and market sections, providing valuable insights that would traditionally take days or even longer to identify.¹⁰

Malaysia recently completed its first Nvidia-powered data centre in Kulai, Johor, marking a noteworthy milestone in strengthening the nation's digital and AI infrastructure. Malaysia is also progressing rapidly on its AI agenda, from the formation of the National AI Office to the launch of Malaysia's first large language model, Ilmu. To accelerate this momentum, the government has set aside RM5.9 billion in the 2026 Budget to further enhance the AI ecosystem and position Malaysia as the region's leading hub for data centres and AI-driven innovation.¹¹

2026 Outlook

The Manager remains committed to exploring and harnessing the latest technological advancements to enhance efficiency and optimise resource value.

Our commitment to tenant engagement is reinforced through the continued use of our tenant management platform, *Hello Axis*, that supports operational efficiency and elevates customer satisfaction. Building on its proven success, we regularly explore new upgrades and enhancements with our vendor to further enrich tenant experience. These ongoing improvements are designed to sustain tenant satisfaction levels for *Hello Axis* service requests at above 80%.

While acknowledging the benefits of AI, we remain mindful of the associated risks. Accordingly, we will continue to evaluate the use of AI applications across the organisation and will proceed with caution.

The Malaysian data centre market, valued at US\$4.04 billion in 2024, is expected to surpass US\$13.5 billion by 2030. This growth trajectory is underpinned by three major drivers: a supportive regulatory framework, Malaysia's strategic proximity to regional technology and financial hubs, and attractive cost and capacity advantages.¹² With the aim of delivering sustainable returns to Unitholders, Axis-REIT will continue to explore opportunities in this segment that align with the Fund's investment strategy and risk parameters.

Our objective is to uphold high standards of data protection and cybersecurity, with zero breaches and full adherence to the Personal Data Protection Act 2010 (PDPA). These efforts are reinforced through ongoing technology audits and comprehensive employee awareness programmes, ensuring that robust controls remain firmly in place across Axis-REIT.

10. CWAN, "Modernizing the REIT Playbook: Why SaaS and AI are the Competitive edge in asset management", January 28, 2026, <https://cwan.com/resources/blog/saas-ai-for-asset-management/#:::text=Cloud%2Dbased%20platforms%20built%20for,on%20signals%20rather%20an%20assumptions>

11. Free Malaysia Today, "Malaysia completes first Nvidia-powered data", January 28, 2026, <https://www.freemalaysiatoday.com/category/nation/2025/10/31/malaysia-completes-first-nvidia-powered-data-centre-in-johor>

12. The Edge Malaysia, "What is propelling Malaysia's data centre boom?" January 28, 2026, <https://theedgemalaysia.com/node/773980>

OPERATING ENVIRONMENT

Climate Change

Our Response
(Link to Sustainability Matters)



Energy & Carbon Footprint



Waste Management



Water Management

Link to Business Strategy



Real Estate



Facilities Management



Investment



Development

Impact on Business/Industry (positive and negative)

2025 was the third warmest year ever recorded, continuing the remarkably high warming trend of recent years. From January to August 2025, the global mean near-surface temperature was $1.42^{\circ}\text{C} \pm 0.12^{\circ}\text{C}$ above pre-industrial levels, reflecting the accelerating pace of climate change. Both heat-trapping greenhouse gases and ocean heat content reached record levels in 2024, and continued to increase in 2025.¹³

Within the next decade, global temperatures will likely exceed 1.5°C above pre-industrial levels. Despite the Paris Agreement, humanity continues to burn fossil fuels and pump out greenhouse gasses at a record rate.¹⁴ According to the *State of Climate Action 2025*, global progress across 29 key Paris Agreement indicators — including power, industry, transport, buildings, land use, food systems, carbon removal, and climate finance — remain significantly off track. Achieving the 1.5°C goal will require accelerating action by at least twofold, and in most areas more than fourfold, over the coming decade.¹⁵

Malaysia communicated the third iteration of its Nationally Determined Contribution (NDC 3.0) to UNFCCC¹⁶ in 2025, setting an absolute emission reduction target of 15 to 30 million tonnes of carbon dioxide equivalent by 2035, from Malaysia’s peak emission level. At the same time, the NDC 3.0 includes a conditional GHG emissions reduction commitment of an additional 10 million tonnes of carbon dioxide equivalent, contingent upon the provision of international assistance in finance, technology transfer, and capacity-building support.¹⁷ Looking ahead, analytics indicate ESG risks

for M-REITs as manageable and improving, even though gaps persist in renewable energy adoption, Scope 3 emissions coverage, and portfolio-level decarbonisation pathways.⁸

Prolonged heavy rainfall in November 2025, intensified by Cyclone Senyar, caused widespread flooding across multiple Malaysian states, affecting over 10,000 people and highlighting Malaysia’s rising susceptibility to climate-related disasters. Areas of concern include environmental degradation, rapid urbanisation, and insufficient resilient infrastructure, underscoring the need for stronger governance and proactive, sustainability-driven risk management.¹⁸

2026 Outlook

In addressing climate-related challenges, we continue to build on foundations established in prior years to ensure our strategies remain relevant and effective. Insights from a climate scenario analysis we undertook in 2025 have been incorporated into our broader risk and strategy considerations. In addition, all potential acquisitions and developments are subject to an initial due diligence process that evaluates ESG compliance and screens for climate-related risks, such as flooding and water stress. These measures enable us to safeguard our portfolio and strengthen resilience against future climate exposures.

To strengthen preparedness for emergency situations, we remain committed to developing comprehensive response plans that prioritise stakeholder safety. Regular training programmes are conducted for tenants to ensure the effectiveness of these plans, with continuous refinements made based on feedback and evolving best practices.

Beyond exploring energy efficiency enhancements across our multi-tenanted properties, we have put into place plans to subscribe to the GET from 2026 onwards, accelerating our transition towards clean energy and meeting the goals outlined in our Carbon Neutrality by 2050 Roadmap.

Axis-REIT’s Carbon Neutrality by 2050 Roadmap aligns with global climate ambitions and was developed and approved by the Board in 2025. This Roadmap outlines specific initiatives designed to ensure measurable impact, accountability, and continuous improvement as we progress towards long-term sustainability.

13. World Meteorological Organization, “2025 set to be second or third warmest year on record, continuing exceptionally high warming trend”, January 28, 2026, <https://wmo.int/news/media-centre/2025-set-be-second-or-third-warmest-year-record-continuing-exceptionally-high-warming-trend>

14. UN Environment Programme, “The world is likely to exceed a key global warming target soon. Now what?”, January 28, 2026, <https://www.unep.org/news-and-stories/story/world-likely-exceed-key-global-warming-target-soon-now-what>

15. World Resources Institute, “State of Climate Action 2025”, January 28, 2026, <https://www.wri.org/research/state-climate-action-2025>

16. United Nations Climate Change, “Malaysia’s Third Iteration of the Nationally Determined Contribution”, January 28, 2026, <https://unfccc.int/sites/default/files/2025-10/Malaysia%20NDC%203.0%20to%20UNFCCC%202025%20final.pdf>

17. Ministry of Natural Resources and Environmental Sustainability, “Malaysia Targets Third GHG Emissions Reduction (NDC 3.0) 15 to 30 Million Tonnes of CO2 Equivalent by 2035”, press statement, January 28, 2026, <https://dmedia.penerangan.gov.my/upload/km/29102025.745378810.pdf>

18. Malaysia Gazette, “Our November flood prove that we need stronger sustainability governance”, January 28, 2026, <https://malaysiagazette.com/2025/12/05/our-november-floods-prove-that-we-need-stronger-sustainability-governance/>

OPERATING ENVIRONMENT

Sustainable Design/Features

Our Response
(Link to Sustainability Matters)



Energy & Carbon
Footprint



Waste
Management



Water
Management



Quality Assets & Services
- Existing Assets



Quality Assets & Services
- New Acquisitions

**Link to
Business Strategy**



Real Estate



Facilities
Management



Investment



Development

Impact on Business/Industry (positive and negative)

Worldwide, sustainable building codes, certification frameworks and standards influence decisions across design, operation, construction, and refurbishment. This creates long-term opportunities to integrate energy and material efficiency, circular economic principles, low-emissions approaches and climate-resilient practices throughout the building life cycle.¹⁹

In 2025, the Construction Industry Development Board (CIDB) introduced mandatory green criteria for government projects valued at over RM50 million, placing greater emphasis on lifecycle carbon assessments, sustainable procurement, and the use of locally-sourced materials. As a direct result, projects are increasingly evaluated for climate impact and resilience, alongside other considerations like timing and cost. Despite this shift, obstacles to adoption remain, including higher upfront costs of sustainable technologies, a limited pool of qualified workers, and restricted access to sustainable supplies.²⁰

The global green building materials market continues to expand, driven by increasing demand for sustainable construction strategies and heightened environmental awareness among both consumers and businesses seeking to reduce their carbon footprint. Valued at USD316.94 billion in 2024, the market is projected to grow at a Compound Annual Growth Rate (CAGR) of 8.75% to reach USD524.17 billion by 2030. Recent advances in green materials and building technologies are accelerating this growth, offering innovative solutions that lower environmental impact, improve energy efficiency, and support the

global transition toward more sustainable development practices.²¹

2026 Outlook

The Manager is committed to aligning with sustainable building codes by integrating advanced features and infrastructure that improve energy and water efficiency, while also embedding responsible waste management practices across all properties. These initiatives are designed not only to reduce environmental impact, but also to enhance long-term property value and operational resilience.

In assessing potential investments or acquisitions, we place strong emphasis on stakeholder concerns and, in response, conduct environmental and social impact assessments. This ensures that new developments or acquisitions minimise harm to the environment and local communities, while contributing positively to broader sustainability objectives. We also evaluate climate-related risks such as flooding, integrating these considerations into our investment decision-making process to safeguard portfolio resilience.

Continuous engagement with tenants remains a cornerstone of our sustainability strategy. By actively listening to their infrastructure needs, we support their transition toward ESG goals. These include initiatives such as installing EV charging stations, facilitating access to renewable energy options, and exploring innovative technologies that enhance operational efficiency.

Beyond this, we are open to exploring new technologies and materials that optimise energy consumption, water usage, and waste management.

19. International Energy Agency, "Breakthrough Agenda Report 2025", January 28, 2026, <https://www.iea.org/reports/breakthrough-agenda-report-2025/building>

20. CIDB Malaysia, "Green and Sustainable Construction: CIDB's Push for a Greener Future", January 28, 2026, <https://www.cidb.gov.my/eng/cidbs-push-for-a-greener-future/>

21. Yahoo Finance, "Green Building Materials Market Forecast Report 2025-2030 | Adoption of Bio-Based Materials, Advances in Green Building Materials, and Use of Recycled & Upcycled Material Drive Market Growth", January 28, 2026, https://finance.yahoo.com/news/green-building-materials-market-forecast-132800720.html?guccounter=1&guce_referrer=aHR0cHM6Ly93d3cuZ29vZ2xiLmNvbS8&guce_referrer_sig=AQAAACp65XiGij8VhiFAbydx1SqP87ISqDTJfTxoAhxci857YHojgyuZs0aIouZ9-vqdPO30YCyBZ4PqcMLb_u

OPERATING ENVIRONMENT

Social and Demographic Change

Our Response
(Link to Sustainability Matters)

-  Tenant Satisfaction
-  Responsible Supply Chain Management
-  Talent Development
-  Diversity & Inclusion
-  Human Rights & Labour Practices

Link to Business Strategy

-  Real Estate
-  Facilities Management
-  Investment
-  Development
-  Governance

Impact on Business/Industry (positive and negative)

The demand for green office buildings is rising in Malaysia, driven by multinational and local corporations seeking to meet their climate goals. According to research conducted by JLL, 87% of occupiers in the Asia-Pacific region, including those based in Kuala Lumpur, have set goals for 100% green-certified office portfolios by 2030. These companies are acknowledging that they are able to enhance operational efficiency, boost their reputation, and mitigate risks by embedding ESG principles in their office properties. This can result in cost savings and higher access to capital.²²

In the past few years, organisations have encountered obstacles in escalating employee benefits costs, an expense affecting employers and employees. Adaptable arrangements for work are now the norm, supporting the necessity for work-life balance and allowing employees to juggle personal and work-related responsibilities effectively. However, this also creates a gap in communication and collaboration between colleagues, which presents a challenge in upholding office culture and ensuring inclusivity.²³

Additionally, Malaysia has launched its first National Action Plan on Business and Human Rights (NAPBHR) in 2025, which identifies labour as one of its key priority areas. The plan addresses a broad range of labour issues, including the eradication of forced labour, as well as principles of non-discrimination, equitable wage practices, freedom of association, collective bargaining, and meaningful social dialogue.²⁴ It also

encourages the private sector to integrate Human Rights and Environmental Due Diligence throughout their operations and value chains to proactively prevent, mitigate, and address any negative impacts on human rights.²⁵

2026 Outlook

With growing sustainability awareness among investors and tenants, Axis-REIT is committed to embedding best practices across ESG dimensions. Recognising that sustainability expertise is critical to our long-term success, we continue to attract, retain, and upskill talent by equipping employees with the knowledge and capabilities required to drive ESG integration throughout the organisation.

Flexible working arrangements have become a defining factor for our tenants, prompting many to reassess their space requirements. We are proactively adapting to these shifts by offering customisable spaces and flexible leasing solutions that accommodate evolving operational needs, positioning Axis-REIT as the partner of choice for a diverse range of industries.

In addition, we will be taking steps to deepen our understanding of the NAPBHR framework and, in time, explore potential alignment with its principles. By progressively equipping stakeholders with the necessary knowledge and support, we aim to foster responsible and sustainable practices across our supply chain, while enhancing resilience against evolving regulatory and social risks.

22. JLL, "Rising Tenant Demand for Green Office Buildings: An Opportunity for Commercial Assets in Kuala Lumpur", January 28, 2026, <https://www.jll.com/en-sea/insights/rising-tenant-demand-for-green-office-buildings-an-opportunity-for-commercial-assets-in-kuala-lumpur>

23. AON, "Malaysia Pulse Survey Report: Employer – Employee Perspectives on Employee Benefits & Wellbeing", January 28, 2026, <https://explorehumancapital.aon.com/rs/851-LXZ-252/images/Aon%20Malaysia%20Pulse%20Survey%20Report%202025%20-%20Benefits%20Trends%20%26%20Wellbeing.pdf?version=0>

24. International Labour Organization, "ILO welcomes Malaysia's first National Action Plan on Business and Human Rights and the country's commitment to promote decent work", January 28, 2026, <https://www.ilo.org/resource/news/ilo-welcomes-malaysia-first-national-action-plan-business-and-human-rights>

25. Kiu & Co., "Malaysia's National Action Plan for Business and Human Rights: Implementation Kicks Off", January 28, 2026, <https://www.kiu-co.com/post/malaysia-s-napbhr-has-finally-been-launched>

OPERATING ENVIRONMENT

Growth in Sustainable Investments



Impact on Business/Industry (positive and negative)

Despite ongoing global uncertainty, ESG investing continues to demonstrate resilience. A study by Capital Group indicated that sustainable investment adoption remained high globally at 87%, only slightly below last year's peak record. Investor interest is strengthening in Asia-Pacific, Europe, Middle East, and Africa regions, with most respondents planning to sustain or increase ESG allocations even amid geopolitical and economic pressures. The findings also showed that investors worldwide are sharpening their asset allocation strategies, with 48% now incorporating ESG considerations into private market investments. Energy transition opportunities continue to attract strong investor conviction, followed by clean water and healthcare.

The Budget 2026 reinforces Malaysia's commitment to decarbonisation and the development of a green economy. A key initiative is the introduction of a carbon tax in 2026, supporting global sustainability efforts to curb climate change. The government has also extended and introduced various green incentives, including the Green Investment Tax Allowance and the Green Technology Financing Scheme 5.0, with an allocation of RM1 billion, extended until December 2026. Additionally, a tax relief of RM2,500 for purchasing EV charging facilities and food composting machines is claimable once in either the 2026 or 2027 Year of Assessment.²⁶

These green incentives support sustainability initiatives and provide direct financial benefits. Tax allowances and reliefs reduce capital expenditure costs for energy-efficient upgrades, EV charging infrastructure, and implementing green technologies, while financing schemes enable access to low-cost funding for sustainable projects. Collectively, these measures help to enhance environmental performance, reduce operating costs, and strengthen ESG credentials.

2026 Outlook

With sustainable investments continuing to gain momentum globally and locally, Axis-REIT is committed to aligning strategies in order to attract capital from both foreign and domestic investors. We recognise that sustainability has become a defining criterion for investment decisions, and our strategies for 2026 are shaped by this paradigm shift.

We remain committed to fully leveraging the government's announced sustainability-related incentives to adopt and integrate green technologies across our portfolio. This includes initiatives such as energy-efficient retrofits and renewable energy adoption through mechanisms like the GET.

Beyond technology adoption, we are strengthening our ESG credentials to position Axis-REIT as a preferred destination for sustainability-focused FDI. This involves embedding climate risk assessments into all investment evaluations, expanding tenant engagement programmes to support clean energy transition, and enhancing disclosures in line with international frameworks such as the NSRF and IFRS.

Concurrently, we are working towards converting our remaining financial facilities into sustainability-linked financing to align our capital structure with ESG principles, reinforce our long-term commitment to sustainable growth, and benefit from profit rebates tied to achieving our SPTs.

Through these measures, Axis-REIT aims to capture the opportunities presented by growth in sustainable investments, while ensuring that our portfolio remains resilient, future-ready, and capable of delivering consistent long-term value to Unitholders.

26. Bernard Business Consulting, "Malaysia Budget 2026 for ESG: Strengthening Inclusivity and Sustainability", January 28, 2026, <https://bernardbc.com/malaysia-budget-2026-for-esg-strengthening-inclusivity-and-sustainability/>

STAKEHOLDER ENGAGEMENT

We recognise that our success relies on our ability to meet stakeholders’ expectations and address their concerns. To sustain our success, we strive to meet the different needs and expectations of our stakeholders and foster strong business relationships by adopting a stakeholder-inclusive approach in managing the Fund. Accordingly, we prioritise regular engagement with both internal and external stakeholders through various channels. This allows us to better understand their priorities, identify gaps, and maximise value creation aligned with their best interests.

In 2025, we conducted a comprehensive Stakeholder Engagement and Materiality Assessment involving both our internal and external stakeholder groups to assess their level of influence and dependence on Axis-REIT, as well as the relevance of our material matters to each group. This exercise is conducted on a biennial basis.

 For more information on the Materiality Assessment, please refer to pages 77 to 81 of this Report.

The various stakeholder groups, their concerns, and our responses are presented in the following table:

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
 Board of Directors	To tap the Board’s vast experience and industry expertise for insights that can improve the Fund’s strategy and growth prospects	Board meetings AGMs Unitholders’ Meetings	Quarterly Annually As required	<ul style="list-style-type: none"> ▶ Financial performance ▶ Business ethics, strategy, and growth ▶ Corporate governance practices ▶ Fair labour practices 	<ul style="list-style-type: none"> ▶ Providing regular communication on the Fund’s financial performance and business strategies ▶ Staying abreast with the latest corporate governance and compliance practices ▶ Creating a strong ESG proposition ▶ Overseeing sustainability and climate-related risks and opportunities, and considering these risks and opportunities while making decisions on business strategies
 Senior Management	To build a strong and competent leadership team to develop and execute business strategies	Real Estate and Management meetings	Weekly	<ul style="list-style-type: none"> ▶ Financial performance ▶ Real estate and property management ▶ Business strategy and growth ▶ Talent management and development ▶ Fair labour practices ▶ Health and safety ▶ Cybersecurity and data protection 	<ul style="list-style-type: none"> ▶ Actively engaging with industry experts, professionals, consultants, and employees ▶ Monitoring business performance against KPIs and established targets ▶ Encouraging close collaboration between business functions to promote efficiency and productivity ▶ Enhancing cybersecurity measures to safeguard the integrity of the organisation’s IT systems and data against potential cyber threats ▶ Ensure robust policies and procedures are in place to manage sustainability and climate-related risks and opportunities

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Employees 	To provide equal opportunities that recognise the talents of individuals, support professional growth, as well as foster commitment and loyalty	Company Website	Daily	<ul style="list-style-type: none"> ▶ Opportunities for career development and progression ▶ Opportunities for job-related training ▶ Competitive remuneration and benefits ▶ Safe and productive work environment ▶ Fair labour practices ▶ Health and safety 	<ul style="list-style-type: none"> ▶ Keeping abreast with market remuneration rates ▶ Prioritising internal recruitment (considering current employees to fill job vacancies) and providing opportunities for employee advancement ▶ Providing sufficient training for all employees ▶ Ensuring employee appraisals are conducted in a fair manner ▶ Ensuring that gender equality is actively upheld ▶ Promoting diversity and inclusion at all levels of the Manager's organisation structure ▶ Implementing employee engagement activities ▶ Ensuring compliance with the Code of Conduct on human rights-related issues
		Employee appraisals	Annually		
		Employee Satisfaction Survey	Annually		
		Departmental activities/ training	Periodically		
Tenants 	To forge strong relationships and satisfy tenants' business space needs	Physical and virtual meetings	Ongoing	<ul style="list-style-type: none"> ▶ Maintenance of properties ▶ Quick responses to queries/complaints ▶ Economic performance ▶ Environmentally friendly practices ▶ Energy and GHG emissions management ▶ Certification/audits on buildings/premises ▶ Health and safety 	<ul style="list-style-type: none"> ▶ Enforcing regular maintenance schedules ▶ Notifying tenants of potential disruptions to tenant services and amenities ▶ Enabling and ensuring Facility Managers are contactable at all times ▶ Ensuring that audits are carried out fairly and ethically ▶ Engaging with tenants on ESG concerns, including social issues ▶ Offering green leases to new and existing tenants ▶ Safeguarding tenants' health and well-being ▶ Enhancing sustainability of the property portfolio through the addition of high-quality new builds, undertaking AEs on existing properties to incorporate features such as renewable energy, and retrofitting existing properties with similar features, where applicable
		Tenant Satisfaction Survey	Annually		
		'Hello Axis' tenant management portal	As required		
		Festive/ corporate greetings	As required		

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Financiers and Investment Community 	To obtain funding to support business activities and to provide up-to-date and transparent information	AGMs	Annually (for Unitholders)	<ul style="list-style-type: none"> ▶ Transparency of dealings ▶ A fair view of the financial performance of the Fund ▶ Timely dissemination of information on material disclosures ▶ Incorporation of ESG risk considerations in business strategies ▶ Overall performance of the Fund ▶ Achievement of SPTs for sustainability-linked financing 	<ul style="list-style-type: none"> ▶ Adhering to regulatory rules, corporate governance, and international reporting standards ▶ Disseminating up-to-date information via Bursa Securities website and Axis-REIT's corporate website ▶ Monitoring and reviewing business strategies and decisions to ensure that sustainability and climate-related risks and opportunities are duly considered ▶ Achieving overall business performance targets ▶ Achieving SPTs set with financiers
		Unitholders' Meetings	As required (for Unitholders)		
		Timely announcements on Bursa Securities website and Axis-REIT's corporate website	Ongoing		
		Physical and virtual one-on-one meetings with local and foreign investors	Ongoing		
		Physical and virtual local and overseas investor conferences	Ongoing		
		Physical and virtual briefings for analysts	Bi-annually		
Physical meetings with financiers	When required				
Regulatory Bodies & Industry Associations 	For awareness of and compliance with the latest rules and regulatory requirements, as well as keeping abreast with changes and updates in the market. Axis-REIT to assume a leading role, where possible, in lobbying for new amendments that could move the industry forward	Physical and virtual meetings	When required	<ul style="list-style-type: none"> ▶ Ethical business conduct and good corporate governance practices ▶ Providing updates on changes in laws and regulations ▶ Ensuring fair representation of the industry's needs and demands to regulators 	<ul style="list-style-type: none"> ▶ Attending virtual and/or physical meetings and events to stay abreast with regulatory developments and understand new regulations ▶ Attending meetings and events to stay abreast of industry developments and understand new practices in the industry ▶ Providing feedback when necessary ▶ Ensuring robust policies and procedures to manage sustainability and climate-related risks and opportunities are in place, including conducting a climate scenario analysis and flood risk assessment on our portfolio
		Attending virtual/physical talks and conferences	When required		

STAKEHOLDER ENGAGEMENT

Stakeholder Group	Engagement Objectives	Engagement Method	Frequency	Key Stakeholder Concerns	Our Response
Suppliers, Service Provider & Contractors 	To engage credible and reliable suppliers as well as competent contractors/service providers who deliver exceptional technical services	Tenders	When required	<ul style="list-style-type: none"> ▶ Having a clear understanding of the scope of work and deliverables expected ▶ Adherence to policies and timelines ▶ Ensuring payments are made on time ▶ Waste reduction and recycling efforts ▶ Energy-saving issues ▶ Quality Management Systems ▶ Preventive maintenance ▶ Transparent and fair tendering process 	<ul style="list-style-type: none"> ▶ Working closely with suppliers to ensure a clear understanding of the scope of work, deliverables, and timelines ▶ Holding progress meetings with suppliers ▶ Addressing ESG propositions in contracts ▶ Conducting audits on key service providers/contractors to monitor compliance with ESG requirements
		One-on-one meetings	When required		
		Tender interviews	When required		
		Vendor evaluation	Annually		
Media 	To provide timely and accurate information to members of the media	One-on-one meetings	When required	<ul style="list-style-type: none"> ▶ Receiving the latest updates and news on Axis-REIT 	<ul style="list-style-type: none"> ▶ Retaining a public relations company to manage press engagements, ensuring press releases are disseminated promptly, and fielding requests for interviews
		Press briefings	When required		
		Annual gatherings	As appropriate		
Local Communities 	To fulfil the role of a good corporate citizen by supporting local Non-Governmental Organisations (NGOs) and charities	Promoting employee engagement programmes	As appropriate	<ul style="list-style-type: none"> ▶ Support from the business community to help address issues faced or provide backing for causes championed 	<ul style="list-style-type: none"> ▶ Engaging with local communities and organisations on social issues ▶ Supporting projects that are relevant to Axis-REIT's mission and within its financial means
		Contributing to provide relief and support for relevant causes or emergency situations	As appropriate		

MATERIALITY ASSESSMENT

The REIT sector continues to shift towards greater transparency and accountability, with a focus on how material sustainability issues are identified and managed. In response, we remain steadfast in our commitment to integrate stakeholder priorities and sustainability considerations into our business strategy.

In 2025, we completed our scheduled biennial review of material sustainability matters to ensure relevance and alignment with our strategic objectives. This review comprised a thorough evaluation of global and local market risk trends, in addition to benchmarking against industry peers and leading sustainability reporting frameworks and standards. We also considered sustainability-related risks and opportunities that could impact our operations and long-term value creation.

The outcome of this review reaffirmed that all previously identified sustainability matters continue to be significant to our business and reflect stakeholder expectations. This process strengthened the integration of ESG factors into our overall risk management approach, enabling us to remain resilient and adaptable in an increasingly dynamic environment.

Stakeholder Engagement and Materiality Assessment Process

Our stakeholder engagement and materiality assessment exercise involved the following steps:

1 Review of Stakeholder Groups and Sustainability Matters

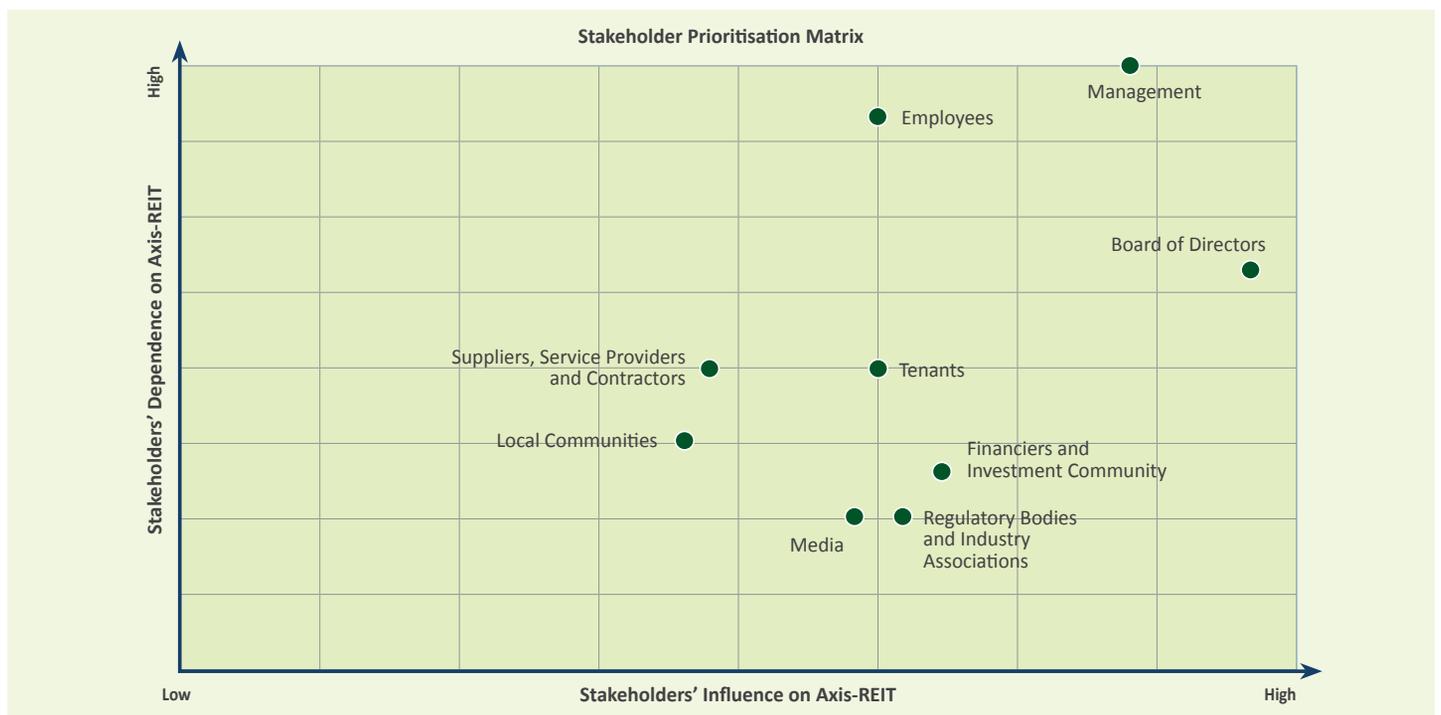
We reviewed our existing stakeholder groups and sustainability matters to ensure they remain aligned with our business strategy, operational priorities, and prevailing market trends. To maintain consistency with best practices and regulatory expectations, sustainability matters were assessed against key reporting frameworks, including the third edition of Bursa Malaysia’s Sustainability Reporting Guide as well as those adopted by industry peers.



2 Stakeholder Prioritisation and Engagement

A Stakeholder Engagement survey was conducted to gather valuable insights into the significance of our sustainability issues. We also organised a workshop to prioritise stakeholder groups based on varying levels of influence and dependence and to review insights obtained from the survey. The outcome of this exercise, illustrated in the matrix below, provided a holistic view of our stakeholder landscape.

Our Stakeholder Engagement survey focused on six key stakeholder groups: the Board, Management, Employees, Tenants, Suppliers, Service Providers & Contractors, and the Financiers & Investment Community. We captured their perspectives on the importance of our sustainability matters and identified the most critical challenges relevant to each group. This enables us to formulate strategies that drive meaningful value creation for all stakeholders.



MATERIALITY ASSESSMENT

3 Impact Assessment

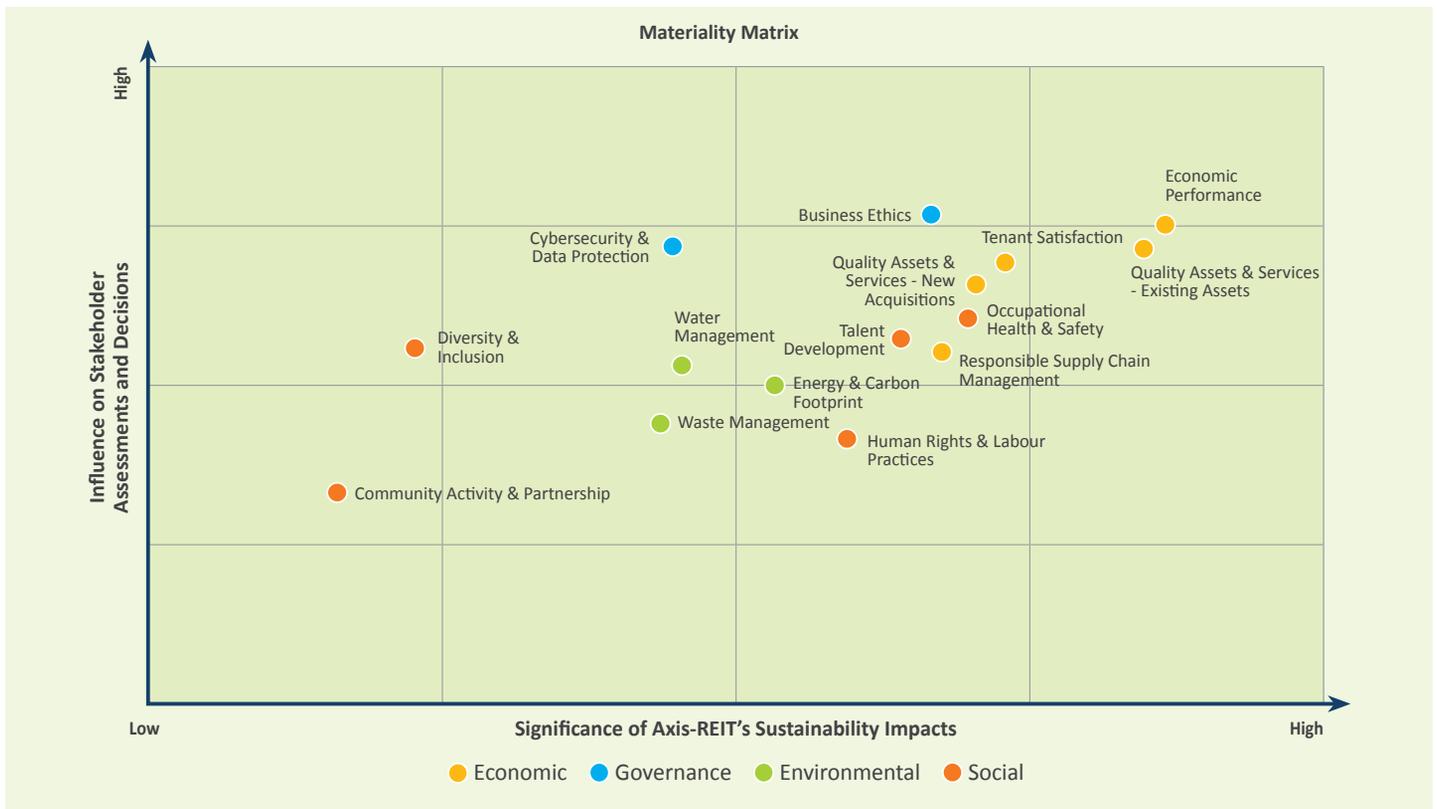
In 2025, Senior Management undertook an Impact Assessment of each identified sustainability matter to determine both the level of impact and the likelihood of occurrence. The exercise applied the ERM framework’s financial and non-financial risk parameters in establishing ratings for impact and likelihood, ensuring consistency between the Manager’s risk assessment and materiality evaluation.



4 Consolidation of Materiality Matrix and Validation

The results of the Stakeholder Engagement survey and Impact Assessment exercises are illustrated in the Materiality Matrix below. This matrix reflects the relative importance of each sustainability matter from both Axis-REIT’s business perspective and that of our stakeholders.

The completed Materiality Matrix was reviewed and validated by Senior Management before receiving formal approval from the Board.



The results of the Stakeholder Engagement survey and Impact Assessment reaffirm that the 15 identified sustainability matters continue to be relevant and reflective of stakeholder expectations.

Recognising the importance of these issues is fundamental to our approach. Addressing them demonstrates our commitment to responsible and ethical business practices, ensures compliance with regulatory requirements, and strengthens our reputation as a socially responsible organisation. Closely monitoring our performance in managing these matters better equips us to anticipate and respond to emerging challenges, safeguarding our ability to deliver value in the short-, medium-, and long-term.

Tracking progress on these key sustainability areas year after year enables us to measure achievements, identify gaps, and implement targeted strategies to meet future objectives. This disciplined approach underscores our dedication to sustainability, our agility in adapting to change, and our long-term vision of creating lasting value for both our stakeholders and the communities we serve.

MATERIALITY ASSESSMENT

The table below represents the list of material sustainability matters for Axis-REIT.

Sustainability Pillars	Material Sustainability Matters	Description
Economic	Economic Performance	Providing consistent and competitive income distribution by growing the property portfolio, applying excellent capital and risk management strategies and preserving capital values.
	Tenant Satisfaction	Fostering strong tenant relationships through regular tenant engagements via both physical and virtual channels, and responding to their needs promptly and effectively. This drives high levels of tenant satisfaction, which in turn, facilitates tenant retention and sustains high occupancy rates across the portfolio.
	Quality Assets & Services - New Acquisitions	Acquiring or developing properties that are strategic and aligned with the investment objectives of the Fund. Axis-REIT also factors in ESG considerations when evaluating potential acquisition targets and development projects.
	Quality Assets & Services - Existing Assets	Maintaining and enhancing the quality of Axis-REIT's existing properties to create sustainable, long-term value for the Fund and our stakeholders. These efforts include undertaking disciplined AEs to enhance the value of the Fund's portfolio and maximise tenant satisfaction levels.
	Responsible Supply Chain Management	Reinforcing the integrity and resilience of our supply chain by evaluating the credibility of Axis-REIT suppliers, incorporating ESG criteria into our procurement processes, and conducting regular checks and training.
Governance	Business Ethics	Upholding a strong commitment to integrity and business ethics across Axis-REIT's operations, guided by stringent governance policies and a culture of transparency and accountability.
	Cybersecurity & Data Protection	Creating a secure digital environment by strengthening network security and ensuring compliance with all applicable laws to protect intellectual property and stakeholders' personal data from potential cybersecurity breaches and threats.
Environmental	Energy & Carbon Footprint	Effective management of energy consumption, continuously improving energy efficiency, and reducing GHG emissions to minimise Axis-REIT's environmental footprint and reduce impact on climate change.
	Water Management	Responsible usage of water in Axis-REIT's business operations.
	Waste Management	Effective management of waste from Axis-REIT's business operations to reduce our impact on the environment, including encouraging recycling efforts and ethical disposal of hazardous waste.

MATERIALITY ASSESSMENT

Sustainability Pillars	Material Sustainability Matters	Description
Social	Occupational Health & Safety	Maintaining a safe and healthy working environment for Axis-REIT's stakeholders through robust health and safety measures.
	Talent Development	Continuously investing in capacity building to enhance our employees' skills, create a competent and productive workforce, and facilitate career growth.
	Diversity & Inclusion	Championing diversity and inclusion across Axis-REIT's business operations by ensuring all employees receive equal opportunities to reach their full potential.
	Human Rights & Labour Practices	Upholding high standards of human rights and labour practices in Axis-REIT's business operations and supply chains.
	Community Activity & Partnership	Actively engaging with local communities around our business operations to understand and address their needs via our Corporate Social Responsibility (CSR) initiatives.

Integration of SROs

In 2025, Axis-REIT enhanced its materiality assessment approach by incorporating a structured review of SROs in line with the requirements of IFRS S1 and IFRS S2. This enhanced review strengthens the connection between our material sustainability matters, strategic priorities, and long-term value creation objectives.

1. Identification of SROs Arising from Material Sustainability Matters

For each of the 15 validated material sustainability matters, the Manager identified the corresponding SROs that may influence operational resilience, tenant relationships, asset performance, and overall market positioning. These SROs were considered across the short, medium, and long-term to reflect how regulatory developments, stakeholder expectations, technological advancement, and environmental factors may affect the Fund's business.

This exercise provided a clearer view of how material sustainability themes translate into business-relevant risks—such as rising energy costs, climate-related exposures, cybersecurity concerns, or supply chain disruptions—as well as opportunities including green building certifications, improvements in property efficiency, sustainable financing avenues, and strengthened stakeholder confidence.



For more information on the identified SROs, please refer to the "Risk and Opportunities" section on pages 82 to 91.

MATERIALITY ASSESSMENT

2. Assessment of Financial Materiality Through the ERM Framework

To ensure alignment with existing governance processes, the financial materiality of each identified SRO was assessed through Axis-REIT's annual ERM framework. The assessment applied the same financial and non-financial parameters used in wider risk evaluations, ensuring consistency and comparability across business functions.

The analysis considered potential implications on:

- revenue generation and rental stability;
- operating expenditure and capital investment requirements;
- property valuation and market competitiveness; and
- long-term fund performance and Unitholder returns.

Embedding SRO assessments within the ERM process helps ensure sustainability-related considerations are integrated into decision-making, investment planning, and portfolio management.

3. Prioritisation of High-Materiality SROs and Identification of Material Information

Following the financial materiality assessment, the Manager prioritised the SROs assessed to have the greatest potential influence on strategic direction, financial outcomes, and long-term resilience. These high-materiality SROs form the basis for enhanced management focus and more comprehensive disclosure.

For each prioritised SRO, the Manager identified the material information required under IFRS S1 and IFRS S2, including:

- governance oversight;
- strategic implications;
- risk management approaches; and
- metrics and targets.

This process supports clearer, more relevant sustainability-related disclosures and informs resource allocation and risk mitigation efforts.

4. Enhancing Long-Term Resilience and Value Creation

Integrating SRO analysis into the materiality assessment provides deeper insights into how sustainability issues shape the future of Axis-REIT's business. This enables the Manager to manage risks such as regulatory change, climate-related exposures, and evolving tenant expectations more proactively, while also identifying opportunities for operational improvements, efficiency gains, and long-term value creation.

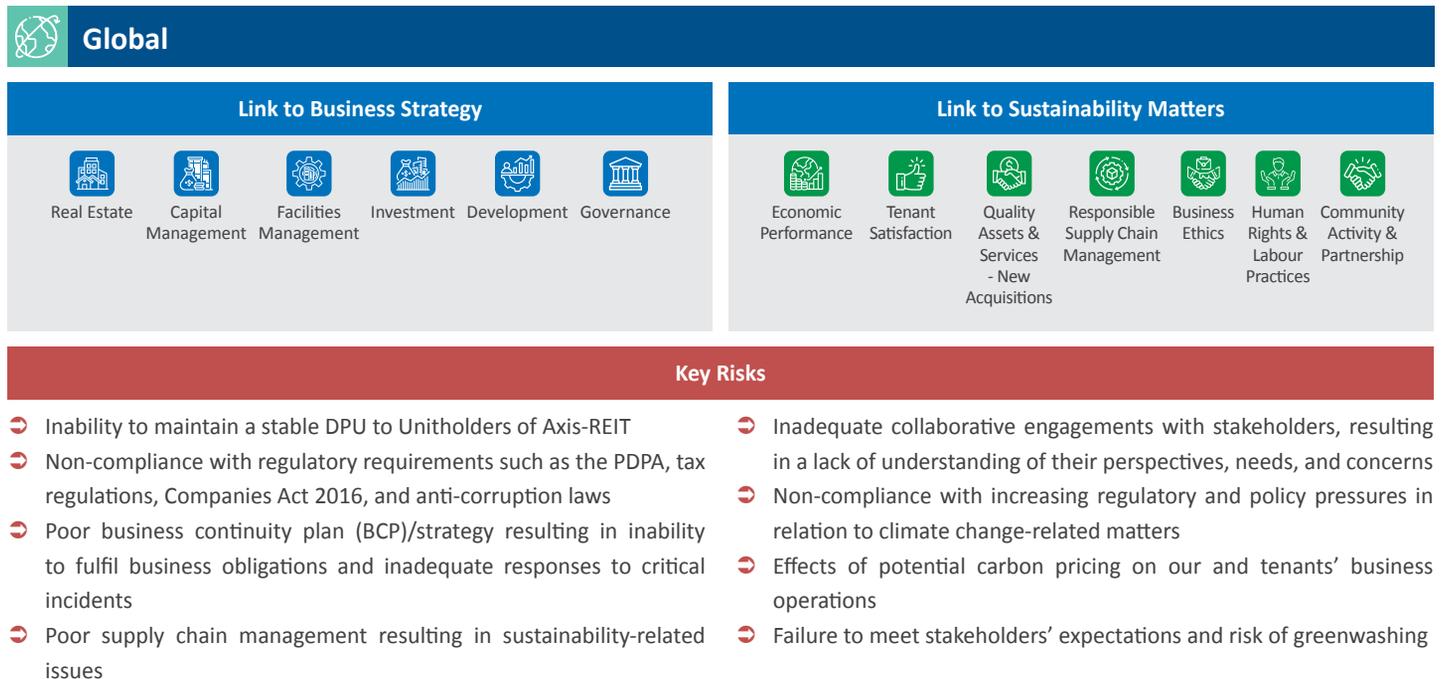
This enhancement reflects our commitment to building a resilient and future-ready organisation, aligned with global sustainability reporting developments and stakeholder expectations.

RISKS AND OPPORTUNITIES

FYE2025 marked another resilient year for the REIT sector, characterised by sustained growth and a dynamic operating landscape. The Manager remained vigilant as opportunities continued to emerge, navigating shifts in market conditions, regulatory expectations, and sustainability demands, given their potential impact on long-term resilience and stakeholder confidence. During the year, we adopted the NSRF to strengthen our risk management discipline, ensuring greater alignment with evolving national disclosure requirements and global best practices.

In line with these developments, the Manager further enhanced its risk assessment process by identifying and reviewing SROs, recognising that ESG factors increasingly shape property performance and portfolio competitiveness. We leveraged our ERM framework to conduct comprehensive evaluations of business and SROs. This enabled early detection of root causes, assessment of potential operational and financial impacts, and the formulation of targeted mitigation actions, in response to both external market dynamics (refer to Operating Environment, pages 67 to 72) and internal operational activities.

Axis-REIT continues to turn new challenges into drivers of operational excellence, innovation, and value creation by embedding risk management within our strategic priorities and material sustainability matters. The summary table that follows outlines the key business and SROs identified for 2025, their operational implications, and the mitigation strategies in place. This demonstrates how each risk is actively aligned with the Fund's strategic objectives and sustainability commitments.



RISKS AND OPPORTUNITIES



Global (Continued)

Potential Impact

- Reduction in profit or DPU
- Negative impact on cash flows and insufficient funds when needed
- Lack of attractiveness to potential investors
- Increased investments required for climate adaptation measures
- Higher Takaful contributions and reduced availability of Takaful coverage
- Financial losses and penalties under the prevailing laws
- Reputational damage
- Vulnerability to cyber threats and potential data breaches
- Poor vendor/supplier/contractor relationships
- Loss of marketing and competitive advantage in the market
- Loss of tenant interest and/or decreased property values
- Loss of social license to operate within the community
- Negative impact on the business, leading to loss of business opportunities/advantages
- Increase in operational and development costs
- Regulatory scrutiny, legal consequences, and loss of stakeholder confidence

Opportunities

- Increasing the Fund's attractiveness to investors through the effective management of financial and non-financial risks
- Pursuing more sustainability-linked financing facilities to finance new acquisitions or embark on new development projects
- Building confidence and trust among stakeholders across the business through quality management and services, with due considerations on ESG matters, including climate-related risks
- Gaining long-term operating cost savings from investments in energy efficient infrastructure and renewable energy technologies

Mitigating Actions

- Prioritise sustainability-linked financing where possible under the Manager's capital management strategy
- Continue meeting SPTs stipulated under existing sustainability-linked financing, and convert remaining financing facilities to sustainability-linked financing
- Issue rated/unrated corporate Sukuk and explore setting up framework for green or sustainability-linked Sukuk issuance
- Explore new business opportunities such as new revenue streams from renewable energy for eligible tenants
- Closely monitor all regulatory requirements and ensure compliance
- Conduct annual employee training on topics related to cybersecurity, data privacy, and Anti-Corruption and Fraud Policy (ACF Policy)
- Conduct regular testing on internal controls
- Monitor contractors' compliance with ESG requirements and conduct on-site human rights assessments or internal audits on registered key vendors
- Undertake Know-Your-Customer (KYC) assessments in divestments from an anti-money laundering perspective
- Engage with tenants, local communities and local authorities in addressing social and environmental issues
- Engage with tenants and suppliers to obtain environmental data to calculate the exposure of our Scope 3 GHG emissions
- Conduct annual disaster recovery exercises to ensure timely recoverability of business-critical IT systems
- Conduct climate scenario analysis and integrate climate-related considerations into our strategic plans
- Monitor changes in carbon pricing policies, carbon markets, and regulations in Malaysia
- Meet all mandatory reporting requirements and strive to improve reporting practices by adopting the NSRF
- Conduct annual limited assurance on selected ESG key indicators

RISKS AND OPPORTUNITIES



Financial

Link to Business Strategy



Capital Management



Investment

Link to Sustainability Matters



Economic Performance

Key Risks

- ➔ Refinancing risks and a tight lending environment
- ➔ Increased financing costs
- ➔ Insufficient funds or cash deficits
- ➔ Non-compliance with MMLR, statutory obligations, accounting standards, taxation rules, Shariah rules, and other regulations applicable to REITs
- ➔ Missed profit/DPU targets
- ➔ Inaccuracies in financial reporting
- ➔ Missed regulatory and statutory submission deadlines

Overall Impact

- ➔ Needing dilutive capital raising to redeem existing financing facilities
- ➔ Reputational damage
- ➔ Decline in investor interest
- ➔ Negative impact to cash flows that may cause a shortfall of funds
- ➔ Potential default on quarterly income distribution payments
- ➔ Reduction in profit and DPU
- ➔ Penalties under relevant statutory legislations
- ➔ Queries and/or possible fines/reprimands from relevant authorities
- ➔ Decline in Shariah investor interest that may potentially reduce the market value of Axis-REIT
- ➔ Bad and doubtful debts which may cause a reduction in profit
- ➔ Increased investments required for climate adaptation measures
- ➔ Higher Takaful contributions or no availability of Takaful coverage

Opportunities

- ➔ Unlocking value through the optimisation of the Fund's property portfolio
- ➔ Effective management of operating costs to conserve cash for business continuity

Mitigating Actions

- ➔ Closely monitor cashflows and financing profiles
- ➔ Regularly engage with lending banks
- ➔ Engage with the relevant authorities to stay abreast of changes in MMLR/applicable rules and regulations/accounting standards
- ➔ Provide regular training programmes for key management/employees to stay abreast of the latest changes and updates on applicable regulations
- ➔ Maintain close consultation with professional advisors/auditors/the external secretarial agent and Shariah adviser on all compliance issues
- ➔ Actively participate in MRMA activities
- ➔ Ensure all proposed investments are subject to ESG and climate risk assessments based on the relevant established criteria
- ➔ Closely monitor the financial performance of the Fund for early detection of potential missed profit/DPU targets
- ➔ Closely monitor the business performance of the Fund, taking into consideration ESG risks that may potentially affect investment decisions and operating expenditures
- ➔ Meet the SPTs stipulated under existing sustainability-linked financing
- ➔ Explore issuance of rated/unrated corporate Sukuk with long tenures and a fixed rate to lengthen the maturity of our financing profile and mitigate the risk of rising profit rates

RISKS AND OPPORTUNITIES



Real Estate Management

Link to Business Strategy

- Real Estate
- Facilities Management
- Investment
- Development
- Governance

Link to Sustainability Matters

- Quality Assets & Services - Existing Assets
- Tenant Satisfaction
- Responsible Supply Chain Management
- Occupational Health & Safety
- Human Rights & Labour Practices

Key Risks

- ➔ Falling and volatile property values
- ➔ Increased vacancy rates across the portfolio or at specific properties
- ➔ Stagnant/decreased rental rates
- ➔ Increased operating costs due to poor maintenance planning/strategy, inflation, obsolescence, inadequate due diligence during acquisitions, and higher tariffs
- ➔ Unsafe environment for tenants
- ➔ Non-compliance with relevant regulations
- ➔ Delays in the completion of AEI projects
- ➔ Delinquent tenants/late rental payments
- ➔ Inadequate/malfunctioning building security and safety controls
- ➔ Unfavourable tenant profiles (e.g., tenants with high credit default or reputational risks)
- ➔ Injuries/damages involving third parties (suppliers, vendors, contractors, etc.), at the Fund’s premises (offices/sites/common areas)
- ➔ Limited ability to adopt new technologies

Overall Impact

- ➔ Increased financing ratio which may trigger the need to raise capital
- ➔ Breach in financing covenants causing financing to become due for immediate repayment
- ➔ Increased spread/cost of financing
- ➔ Reduction in the NAV of the Fund
- ➔ Decline in rental income and profit, adversely impacting DPU and returns to Unitholders
- ➔ Decline in investor interest, creating difficulties for future fundraising efforts
- ➔ Stagnation in the Fund’s growth
- ➔ Decline in tenant satisfaction and loss of tenants
- ➔ Higher Takaful contributions arising from potential negligence claims and legal action initiated by tenants
- ➔ Loss of competitiveness in the property market
- ➔ High downtime and increased property vacancies
- ➔ Decline in property values
- ➔ Legal suits and penalties imposed by the relevant authorities
- ➔ Reputational damage
- ➔ Cost overruns resulting in higher operating costs that exceed budgets
- ➔ Missed key targets in development projects and AEIs, causing delays in positioning the property to market
- ➔ Non-renewal of buildings’ fire certificates that could result in non-compliance with fire safety regulations
- ➔ Incidents that lead to physical injury, sickness, and death
- ➔ Failure to meet tenants’ expectations on high efficiency buildings

Opportunities

- ➔ Strengthening trust and integrity through improved organisational efficiency, supporting higher tenant interest and increased market values
- ➔ Building a strong reputation to increase investor interest through effective property management, quality facilities management services, and ESG considerations
- ➔ Preserving or enhancing the value of existing properties through planned AEIs
- ➔ Leveraging renewable energy and new low carbon technologies
- ➔ Capitalising on tenant demand for sustainable/green-certified properties

RISKS AND OPPORTUNITIES



Real Estate Management (Continued)

Mitigating Actions

- ➔ Closely monitor property market intelligence, updates, and reports covering market conditions, valuations, and relevant insights
- ➔ Engage regularly with tenants, real estate agents, and consultants to foster close relationships
- ➔ Enhance existing properties by incorporating sustainability features during AEs
- ➔ Incorporate sustainability components and requirements into the Renovation Manual
- ➔ Issue green leases incorporating sustainability-related requirements into lease contracts
- ➔ Conduct annual tenant satisfaction surveys
- ➔ Continuously improve facilities management and leasing services to ensure prompt responses to tenants' needs
- ➔ Increase the proportion of single-tenanted properties and triple net lease tenancies in our portfolio
- ➔ Undertake vendor and contractor assessment procedures that include ESG considerations
- ➔ Regularly monitor fire safety compliance, renewal of fire certificates, as well as security controls
- ➔ Conduct periodic safety awareness programmes for contractors, tenants, suppliers, vendors, and other relevant parties
- ➔ Ensure compliance with standard operating procedures at all properties
- ➔ Organise periodic internal audit reviews of the operational processes and procedures under facilities and project management
- ➔ Conduct periodic HSE audits
- ➔ Conduct on-site human rights assessments and internal audits of registered key vendors
- ➔ Assign ESG risk ratings to new tenants
- ➔ Offer green leases to new and existing tenants during lease renewal negotiations
- ➔ Undertake feasibility studies on renewable and low-carbon energy technologies for selected properties, where appropriate
- ➔ Obtain at least one green building certification for our portfolio every year



Investment

Link to Business Strategy



Investment

Link to Sustainability Matters



Quality Assets & Services - New Acquisitions



Responsible Supply Chain Management



Business Ethics

Key Risks

- ➔ Acquisition of properties without proper due diligence on building structures, location, size, asset type, and market conditions
- ➔ Divestment of properties without proper assessment of the purchaser(s), market conditions, and potential upside/downside for holding/disposing of the property
- ➔ Investment decisions that are unsustainable or misaligned with the long-term goals of the Fund
- ➔ Non-compliance with regulatory requirements such as building codes and regulations
- ➔ Acquisition of properties that are exposed to environmental and social risks (e.g., ground contamination or flood risks)
- ➔ Acquisition of properties with unfavourable tenant profiles (e.g., tenants with high credit default risks or Shariah non-compliant tenants)

RISKS AND OPPORTUNITIES



Investment (Continued)

Overall Impact

- ➔ Loss of rental income, which may impact property portfolio performance and the Fund's EPU and DPU
- ➔ Undue delays and costs arising from transactions undertaken without adequate due diligence
- ➔ Termination of transactions incurring abortive costs
- ➔ Additional capital expenditure required to make improvements or changes to affected properties, in compliance with existing building by-laws and other building requirements imposed by the relevant authorities
- ➔ High maintenance costs
- ➔ Reduced property market value
- ➔ Decline in investor interest
- ➔ Impact on publicity and risk of reputational damage
- ➔ Tenant dissatisfaction
- ➔ Investments that are Shariah non-compliant

Opportunities

- ➔ Managing a sustainable property portfolio that creates long-term value for Unitholders and other stakeholders
- ➔ Expanding investment focus on green properties
- ➔ Building the trust of stakeholders by progressively developing a sustainable property portfolio and incorporating ESG considerations across all operational aspects

Mitigating Actions

- ➔ Continue acquiring viable properties to meet acquisition targets
- ➔ Strictly adhere to all existing, established controls in investment proposals
- ➔ Conduct due diligence on all proposed acquisitions and appoint competent consultants to identify and highlight potential issues
- ➔ Ensure all potential investments are screened for ESG compliance and assessed for climate-related risks (including flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist
- ➔ Review and incorporate vulnerability assessments (such as water stress risks) into the existing due diligence process
- ➔ Assess potential tenants for proposed acquisitions using the ESG Risk Assessment and Rating Checklist, and further evaluate potential tenants with medium to high sustainability risk ratings
- ➔ Conduct periodic studies to identify investment and divestment opportunities
- ➔ Integrate climate considerations into investment strategy through climate scenario analysis
- ➔ Review tenants' past electricity usage when assessing potential acquisitions

RISKS AND OPPORTUNITIES



Human Resource

Link to Business Strategy



Governance

Link to Sustainability Matters



Business Ethics



Occupational Health & Safety



Talent Development



Diversity & Inclusion



Human Rights & Labour Practices



Cybersecurity & Data Protection

Key Risks

- ➔ Inability to attract new talents and to retain high-performing talents
- ➔ Absenteeism and tardiness
- ➔ Low employee morale and underperformance
- ➔ Retaining non-performing employees in the workforce
- ➔ Inadequate employee safety and well-being measures
- ➔ Inadequate measures to promote diversity and inclusion in the workforce
- ➔ Violation of business ethics and the Code of Conduct

Overall Impact

- ➔ Poor delivery of services due to a lack of manpower affecting tenants and properties
- ➔ Loss of key information and skill sets
- ➔ Adverse impact on business operations impacting the profitability and sustainability of the Fund
- ➔ Risks to the Fund's growth and business continuity
- ➔ Increased overhead costs
- ➔ High employee attrition which may lead to operational disruptions and inefficiencies
- ➔ Low employee satisfaction and morale
- ➔ Involvement in time-consuming and costly industrial court cases
- ➔ Potential data theft or loss of trade secrets
- ➔ Reduced interest from investors/banks/business partners
- ➔ Incidents resulting in physical injury, sickness, or fatalities

Opportunities

- ➔ Fostering a better mindset and culture among employees
- ➔ Maintaining a healthy and safe workplace
- ➔ Attracting new and young talent for business continuity
- ➔ Promoting a diverse and inclusive workforce
- ➔ Attracting and retaining talent by demonstrating a strong commitment to sustainability

Mitigating Actions

- ➔ Organise regular team-building, employee engagement, social gatherings, and sports activities
- ➔ Conduct annual employee satisfaction surveys and leverage feedback obtained to improve employee engagement activities
- ➔ Attract more young talent to ensure effective succession planning
- ➔ Enhance the skills of employees for future career growth and development
- ➔ Continuously monitor human rights-related incidents and compliance with the Code of Conduct
- ➔ Conduct regular performance and remuneration reviews
- ➔ Conduct regular employee appraisals
- ➔ Conduct safety awareness programmes for employees
- ➔ Align health and safety practices with occupational health and safety standards such as the Occupational Health and Safety Assessment Series 18001 or ISO 45001
- ➔ Provide awareness training to employees on topics relating to sexual harassment
- ➔ Provide training to employees on relevant latest market trends, where applicable

RISKS AND OPPORTUNITIES

Information Technology

Link to Business Strategy	Link to Sustainability Matters
 <p>Governance</p>	 <p>Cybersecurity & Data Protection</p>

Key Risks

- ➔ Failure of IT systems and infrastructure resulting in exposure to cyberattacks and loss of personal data
- ➔ Threats to stakeholders, including employees, tenants, and vendors, arising from compromised personal data

Overall Impact

- ➔ Severe disruptions to daily operations
- ➔ Significant financial expenses and time required to rectify data loss and IT system failures
- ➔ Potential financial losses, identity fraud, and cyber extortion
- ➔ Reputational damage

Opportunities

- ➔ Safeguarding the Manager’s ability to operate by enabling the secure use of applications across all data users
- ➔ Upgrading data protection infrastructure to ensure a secure network for data storage and transfer

Mitigating Actions

- ➔ Regularly review existing IT controls and protocols to ensure adequacy of protection
- ➔ Conduct regular training and assessments to educate employees and the Board on the risk of cyber threats
- ➔ Use email encryption
- ➔ Use multi-factor authentication for Microsoft 365
- ➔ Conduct annual internal audits of IT processes and governance frameworks
- ➔ Use endpoint detection and response system across all computers to monitor and deter irregular activities
- ➔ Undertake annual disaster recovery exercises to ensure the timely recoverability of business-critical IT systems
- ➔ Work with the outsourced IT service provider to implement cybersecurity procedures recommended by the SC’s Guidelines on Technology Risk Management, where practicable

RISKS AND OPPORTUNITIES



Development

Link to Business Strategy



Link to Sustainability Matters



Key Risks

- ➔ Development projects that are unable to generate positive returns for the Fund
- ➔ Development cost overruns
- ➔ Delays in project completion
- ➔ Lack of sustainable design or material considerations in development projects
- ➔ Breach of regulatory limits on property development

Overall Impact

- ➔ Negative impact on cash flows, profit, and DPU
- ➔ Reputational damage
- ➔ Decline in investor interest
- ➔ Higher maintenance costs affecting tenants
- ➔ Loss of competitive advantage
- ➔ Negative impact on the environment
- ➔ Potential legal action caused by negligence
- ➔ Unexpected increases in financing levels
- ➔ Breach of regulatory limits, which may lead to regulatory action by relevant authorities

Opportunities

- ➔ Attracting and retaining tenants who seek high-quality and sustainable developments
- ➔ Optimising long-term cost savings through sustainable and resource-saving building products/materials
- ➔ Adoption of the latest technology to increase resource use efficiency

Mitigating Actions

- ➔ Focus on new development projects that positively impact the Fund
- ➔ Conduct regular studies on current market needs regarding building specifications
- ➔ Align development of properties with green building standards
- ➔ Adhere to established material use requirements for development projects, such as materials with long service-lives, non-toxic or low-toxicity levels, and resource-saving or other environmentally friendly benefits
- ➔ Incorporate water pollutant management prior to discharge, proper construction waste disposal, and dust control during the construction process
- ➔ Conduct feasibility studies on all proposed projects, including viability and costing, before approving development activities
- ➔ Conduct due diligence on consultants and contractors appointed for development projects
- ➔ Prioritise quality, cost-effectiveness, reliability, and sustainability of building materials for new development projects
- ➔ Perform ESG due diligence on risks and opportunities related to project sites and surroundings
- ➔ Incorporate vulnerability assessments (such as water stress risks) into existing due diligence processes

RISKS AND OPPORTUNITIES



Environmental

Link to Business Strategy

- Real Estate
- Facilities Management
- Investment
- Development

Link to Sustainability Matters

- Quality Assets & Services - New Acquisitions
- Quality Assets & Services - Existing Assets
- Energy & Carbon Footprint
- Water Management
- Waste Management

Key Risks

- ➔ Increased energy consumption and GHG emissions
- ➔ Exposure to climate hazards such as storms, floods, rising sea levels, extreme temperatures, and drought
- ➔ Deterioration of water quality, as well as water shortages and supply disruptions
- ➔ Insufficient qualitative and quantitative measures in assessing and measuring climate risks
- ➔ Mismanagement of domestic and hazardous waste at multi-tenanted properties during AEs and development projects

Overall Impact

- ➔ Increased operating costs
- ➔ Reputational damage
- ➔ Failure to meet energy consumption and GHG emissions reduction targets
- ➔ Penalties due to non-compliance, imposed by the relevant authorities
- ➔ Lack of awareness of Axis-REIT's energy conservation initiatives among tenants
- ➔ Adverse impact on buildings due to natural hazards, affecting tenants' business and operations
- ➔ Disruption to tenants' business operations caused by interruption of water supply
- ➔ Higher capital expenditure and contributions for Takaful coverage of the property portfolio
- ➔ Adverse impact on tenants' health over time
- ➔ Economic strain arising from maintenance and repair costs
- ➔ Operational disruptions impacting business continuity

Opportunities

- ➔ Reducing operating costs and environmental footprint via strategies outlined in the Environmental Policy, as well as sustainable and resource-saving property systems and features
- ➔ Continuing to pursue green financing and other green or sustainability-linked financing, and meeting the corresponding SPTs
- ➔ Future-proofing the portfolio against the impacts of climate change

Mitigating Actions

- ➔ Conduct scheduled building audits to identify areas of improvement to enhance energy and water use efficiency
- ➔ Continuously monitor exposure to climate-related risks (transition and physical risks and opportunities), and incorporate mitigating actions into strategic action plans
- ➔ Assess BEI at key multi-tenanted buildings
- ➔ Conduct climate scenario analysis on existing properties and integrate climate-related considerations into the BCP
- ➔ Periodically review water tank storage capacities and use of energy-efficient fittings
- ➔ Assess flood and water stress risks across the existing portfolio, as well as for potential acquisitions and developments
- ➔ Monitor and record waste generation by disposal method and recyclability
- ➔ Engage with tenants in medium to high water stress areas to evaluate their needs and develop appropriate action plans
- ➔ Develop Carbon Neutrality by 2050 Roadmap, outlining specific actions, milestones, and timelines to reduce GHG emissions
- ➔ Engage with tenants on ESG concerns, including social issues
- ➔ Undertake flood mitigation plans for high-risk properties

CORPORATE STRATEGY 2026-2027

In the year under review, we developed a forward-looking corporate strategy for 2026-2027. This strategy outlines Axis-REIT’s operational focus, performance objectives, and long-term priorities, ensuring that every initiative is aligned with evolving market conditions, sector trends, and our mandate to generate sustainable value for stakeholders. By translating these objectives into actionable plans, we reinforce our commitment to disciplined growth, operational excellence, and lasting stakeholder confidence. The Manager has adopted the NSRF in response to regulatory advancements, underscoring Axis-REIT’s dedication to compliance and its proactive role in adapting to evolving global sustainability reporting standards.

Axis-REIT’s current Corporate Strategy is structured around six strategic pillars: Real Estate, Capital Management, Facilities Management, Investment, Development, and Governance. Each pillar is closely linked to Axis-REIT’s 15 material sustainability matters and their associated KPIs, detailed in the Management of Sustainability Matters section. Integrating sustainability into every pillar reflects Axis-REIT’s commitment to accountability and ensures that ESG considerations are systematically embedded in operational decisions and performance monitoring.

Harmonising strategic, financial, and sustainability imperatives reinforces Axis-REIT’s position as a forward-thinking entity committed to proactive stewardship of ESG impacts across its portfolio.

Real Estate

Drives the maximisation of returns through a portfolio of quality properties that aligns with stakeholder requirements and leverages long-term opportunities.

- Tenant Satisfaction
- Business Ethics

Investment

Drives the growth of our property portfolio by actively and responsibly pursuing strategic acquisitions, drawing on industry insights to identify and capitalise on high-growth opportunities.

- Quality Assets & Services - New Acquisitions
- Responsible Supply Chain Management
- Business Ethics
- Energy & Carbon Footprint

Capital Management

Facilitates proactive financial strategies and consistent growth to meet operational needs and DPU targets against a backdrop of dynamic market conditions and geopolitical shifts.

- Economic Performance
- Business Ethics
- Community Activity & Partnership

Development

Prioritises project management and the development of viable projects, ensuring the delivery of high-quality and future-ready properties.

- Quality Assets & Services - New Acquisitions
- Quality Assets & Services - Existing Assets
- Responsible Supply Chain Management
- Energy & Carbon Footprint
- Water Management
- Waste Management
- Business Ethics
- Occupational Health & Safety
- Human Rights & Labour Practices

Facilities Management

Facilitates the preservation of properties and tenant experiences by consistently delivering seamless real estate solutions and services.

- Tenant Satisfaction
- Quality Assets & Services - Existing Assets
- Responsible Supply Chain Management
- Business Ethics
- Energy & Carbon Footprint
- Water Management
- Waste Management
- Occupational Health & Safety

Governance

Upholds business integrity through the establishment of a trustworthy, transparent, and accountable environment that enables creation of long-term value for stakeholders.

- Business Ethics
- Cybersecurity & Data Protection
- Talent Development
- Diversity & Inclusion
- Human Rights & Labour Practices

CORPORATE STRATEGY 2026-2027

Based on these six strategic pillars, we have established the respective strategic focuses, targets and KPIs, and proposed action plans for 2026 and 2027:

Real Estate

Strategic Focus

- Building strong brand awareness of Axis-REIT and our commitments towards sustainability
- Forging strong relationships with tenants
- Strengthening the property portfolio with quality additions/features (e.g. energy-efficient fittings and fixtures, renewable energy options) and securing credible and reliable tenants

Key Activities for 2025

- Various engagements conducted with local councils and Bomba
- Ongoing monitoring of the implications of US tariff impositions and the expansion of SST on rental and leasing
- Engaged with tenants to clarify SST expansion
- Conducted climate scenario analysis, with outcomes presented to the Board and integrated into ERM and strategic frameworks
- Ongoing offering of green lease provisions to new tenants and existing tenants during lease renewal negotiations
- Ongoing identification of properties with potential divestment
- Obtained GreenRE Bronze certification for Axis Facility @ Batu Kawan
- Launched programmes for tenant health, well-being, and ESG awareness:
 - **EV Charging Awareness:** Hosted a roadshow to highlight the benefits and practical usage of EV charging technology
 - **Community Health Initiatives:** Organised blood donation drives in collaboration with tenants to support public health
 - **Safety Preparedness:** Conducted annual fire drills to ensure readiness and compliance with safety standards
 - **Environmental Health Measures:** Carried out periodic testing and treatment of cooling tower water to safeguard tenant health and maintain building safety
 - **Healthy Living Initiatives:** Encouraged stair usage by installing visually engaging stickers that promote healthy habits while reducing carbon emissions and energy consumption from lift usage

Plans for 2026-2027

- Engage with local councils and/or Bomba at least twice a year
- Keep abreast of news and developments that affect the Fund's properties and the broader property market
- Implement/enhance measures for regular tenant engagements to better serve their business and operational needs, and to obtain feedback on Axis-REIT's services
- Implement measures that promote the health and well-being of tenants at multi-tenanted properties
- Assign ESG risk ratings to new tenants and closely monitor tenants with medium to high sustainability risks for appropriate action
- Extend lease periods for selected leasehold properties with short remaining tenures
- Offer green lease provisions to new and existing tenants during lease renewal negotiations
- Identify properties with potential for divestment, as and when suitable opportunities arise
- Enhance the property portfolio with updated features (e.g. EV charging stations and renewable energy) and green building certifications

Targets & KPIs for 2026-2027

- Maintain tenant satisfaction survey rating at above 70%
- Maintain *Hello Axis* Service Request Satisfaction Ratings at above 80%
- Maintain portfolio occupancy rate at above 90%
- Directly engage with 90% of tenants on a yearly basis
- Assess all new tenants with ESG risk ratings
- Retrofit a minimum of one property within the portfolio with green features (e.g. EV charging stations, renewable energy technology) per year
- Obtain a minimum of one green building certification for our portfolio every year

CORPORATE STRATEGY 2026-2027



Capital Management

Strategic Focus

- Close monitoring of financing rate movements
- Diversifying sources of funding
- Meeting the SPTs
- Disciplined investment strategy for long-term growth

Key Activities for 2025

- Achieved the SPTs stipulated under existing sustainability-linked financing and granted rebates
- Issued the first rated Senior Sukuk of RM300 million, with plans to issue a further RM240 million in early 2026
- Organised a non-deal roadshow in Tokyo with Japanese institutional investors

Plans for 2026-2027

- Continue closely monitoring the government's new initiatives on tax incentives
- Consistently meet the SPTs stipulated under existing sustainability-linked financing
- Issue rated/unrated corporate Sukuk, when required
- Explore setting up framework for green or sustainability-linked Sukuk issuance
- Explore unsecured financing options
- Convert remaining financing facilities to sustainability-linked financing and receive rebates when SPTs are met
- Increase foreign investors' awareness and participation in the Fund

Targets & KPIs for 2026-2027

- Grow Axis-REIT's AUM to RM10 billion by the end of 2030
- Organise at least one foreign roadshow to increase foreign investors' awareness and participation in the Fund
- Ensure alignment with sustainability-linked financing criteria and qualify for profit rebates



Facilities Management

Strategic Focus

- Continuous implementation of Facilities Management best practices
- Adherence to regulatory requirements
- Continuous enhancement of occupational health and safety (OSH) measures

Key Activities for 2025

- Conducted on-site human rights assessments of suppliers for key AEs at six properties
- Collected tenant energy consumption data across our properties, with water and waste data collection currently in progress
- Launched cashless/LPR parking system for Menara Axis and Crystal Plaza
- Completed flood mitigation project at Axis Shah Alam Distribution Centre 3
- Conducted Emergency Response Team (ERT) BOMBA training and First Aid competency training
- Conducted 'ESG Awareness for Building Management Operations' training for all Facilities Management Team
- Started the application of BEI ratings from Energy Commissions for selected multi-tenanted buildings
- Installed EV charging stations for Menara Axis

CORPORATE STRATEGY 2026-2027



Facilities Management (Continued)

Plans for 2026-2027

- Conduct on-site human rights assessments or internal audits of registered key vendors, and document any non-compliance for further action, including independent validation
- Continue collecting energy, water, and waste data from tenants for monitoring and reporting purposes
- Implement cashless parking systems at Quattro West and Wisma Academy
- Execute flood mitigation plans at high-risk properties, where needed
- Upskill the Facilities Management Team on technology and skill that facilitates compliance with regulatory requirements
- Maintain engagement with the Energy Commission to secure BEI ratings for nine multi-tenanted buildings
- Install EV charging stations at selected properties
- Subscribe to the GET to align with Axis-REIT's Carbon Neutrality by 2050 Roadmap
- Strengthen data collection processes for incident reporting updates, especially for single-tenanted properties
- Enhance evacuation planning and reporting SOPs for flood events and other natural disasters through engagement with National Disaster Management Agency (NADMA) and Bomba
- Explore the use of Bursa Malaysia's Centralised Sustainability Intelligence Platform to estimate supplier GHG emissions for Scope 3 reporting

Targets & KPIs for 2026-2027

- Achieve a 25% reduction in GHG emissions in 5 years (2026-2030), from the baseline year of 2025, through GET subscription
- Achieve a 1% reduction in energy consumption in 5 years (2026-2030), from the baseline year of 2025
- Achieve a 1% reduction in water consumption from 2022-2026 (5 years), from the baseline year of 2019
- Reduce the volume of waste sent to landfill by 10% in 5 years (2023-2027), from the baseline year of 2022
- Achieve zero incidence of non-compliance with human rights policies among key vendors
- Obtain energy data on a yearly basis from tenants representing at least 90% of total NLA
- Obtain BEI ratings from the Energy Commission for nine multi-tenanted properties



Investment

Strategic Focus

- Developing and maintaining a robust and active acquisition pipeline
- Enhancing portfolio of industrial properties by focusing on logistics warehouses and manufacturing facilities with potential for future enhancement or redevelopment
- Sourcing and evaluating properties in industrial parks as well as offices in strategic locations with potential for capital appreciation
- Ensuring sustainability in investment decisions for the long-term growth of the Fund

Key Activities for 2025

- Acquisition of one property with a total consideration of RM38.8 million
- Assessed climate-related risks and conducted flood risk profiling as well as water stress vulnerability assessments for potential acquisition targets
- Conducted a rigorous assessment of leasehold tenures and identified six properties for leasehold renewal
- Included tenants' past electricity usage in the post-offer due diligence process
- Incorporated water stress vulnerability assessments in the Initial Due Diligence Assessment Checklist
- Conducted climate scenario analysis, with outcomes presented to the Board, and integration into the ERM and strategic frameworks
- Ongoing exploration of the viability of new investment areas in the region

CORPORATE STRATEGY 2026-2027



Investment (Continued)

Plans for 2026-2027

- Enlarge the proportion of single-tenanted properties with triple-net leases in the portfolio to reduce inflationary pressures on operating costs
- Continue with IDRPs to raise funds to finance extension of lease periods of leasehold properties
- Explore the viability of new investment areas in the region
- Screen potential investments for ESG compliance and assess climate-related risks (including flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist
- To include an assessment of wastewater/effluent discharge records as part of the post-offer due diligence process

Targets & KPIs for 2026-2027

- Embark on acquisitions to meet Axis-REIT's target of growing AUM to RM10 billion by the end of 2030
- Screen all potential investments for ESG compliance and assess climate-related risks (including flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist



Development

Strategic Focus

- Building properties aligned with prevailing market demand
- Meeting tenant-specific requirements and ensuring satisfaction in built-to-lease developments
- Refining selection of building materials for easy maintenance and sustainability
- Selection of competent contractors and consultants

Key Activities for 2025

- Screened two potential developments for ESG compliance and climate-related risks (including flood and water stress) during the pre-design stage in accordance with the Initial Due Diligence Assessment Checklist
- Incorporated water stress vulnerability assessments into the Initial Due Diligence Assessment Checklist for proposed developments
- Conducted climate scenario analysis with outcomes presented to the Board, and integrated into the ERM and strategic frameworks

Plans for 2026-2027

- Focus on new development projects that will contribute positively to the Fund
- Ensure zero cases of ESG non-compliance by contractors (including human rights and labour assessments) through ad-hoc site visits and audits
- Explore the use of Bursa Malaysia's Centralised Sustainability Intelligence Platform to estimate supplier GHG emissions for Scope 3 reporting
- Formalise the community engagement process for development

Targets & KPIs for 2026-2027

- Maintain zero cases of non-compliance with ESG requirements by the main contractors of development projects
- Ensure all potential developments are screened for ESG compliance and assessed for climate-related risks (including flood and water stress) during the pre-design stage in accordance with the Initial Due Diligence Assessment Checklist

CORPORATE STRATEGY 2026-2027



Governance

Strategic Focus

- Ensuring compliance with all regulatory requirements and staying abreast with latest updates
- Promoting diversity and inclusion at all levels of the Manager's organisation structure
- Ensuring fair treatment and a conducive working environment for all employees
- Improving ESG-related capacities of the Board, Senior Management, and employees
- Proper handling of personal data/information
- Safeguarding the Fund's IT systems and data against potential cyberattacks

Key Activities for 2025

- Continuous improvement of sustainability practices and adopted NSRF
- Developed Axis-REIT's Carbon Neutrality by 2050 Roadmap
- Conducted various employee health/well-being programmes:
 - Basic Occupational First Aid, CPR & AED Training
 - ERT BOMBA Training
 - Pickleball
 - Annual Dinner
 - Annual Company Trip
- Launched a customised sexual harassment awareness e-learning module
- Conducted online refresher training for ACF Policy and PDPA
- Conducted interactive online cybersecurity awareness training sessions throughout the year
- Completed annual IT disaster recovery exercise
- Performed annual audit on IT-related matters
- Implemented multi-factor authentication for Microsoft 365

Plans for 2026-2027

- Ensure Axis-REIT's disclosures comply with NSRF and Bursa Securities' MMLR requirements on sustainability reporting
- Monitor the execution of Axis-REIT's Carbon Neutrality by 2050 Roadmap, within specific actions, milestones, and timelines
- Conduct at least two employee health/well-being programmes and at least two group activities a year
- Upskill employees with the potential for future career advancement within the organisation
- Explore integrity training for employees
- Conduct annual employee training on Axis-REIT's ACF Policy, PDPA, and cybersecurity matters
- Implement annual IT disaster recovery exercises to ensure the timely recoverability of business-critical IT systems
- Continue subscribing to an online interactive cybersecurity awareness programme for employees
- Conduct annual audits on IT-related matters

Targets & KPIs for 2026-2027

- Provide targeted upskilling for Board members and employees, enhancing their ability to support both ESG alignment and compliance with sustainability standards
- Implement carbon-reduction initiatives on schedule to achieve our Carbon Neutrality by 2050 Roadmap targets
- Maintain zero reported cases of discrimination in the workplace
- Conduct at least 2 employee health and well-being training sessions
- Conduct at least two employee group activity sessions
- Maintain at least 800 total training hours
- Achieve employee satisfaction ratings of above 80% in the Annual Employee Satisfaction Survey
- Maintain zero cybersecurity breaches
- Monitor and report PDPA compliance status
- Provide annual refresher training on the ACF Policy, PDPA and cybersecurity
- Ensure 100% completion of cybersecurity-related training modules for all relevant employees

CORPORATE STRATEGY 2026-2027

Progress and Achievements in 2025

We are pleased to share that a significant portion of the action plans and objectives set forth in our Corporate Strategy 2025-2026 have been successfully executed. A summary of the key achievements is provided below.



For comprehensive information on our targets and progress, please refer to the Management of Sustainability Matters section.



Real Estate

KPI/Targets for 2025

- Maintain tenant satisfaction survey rating at above 70%
- Maintain *Hello Axis* Service Request Satisfaction rating at above 80%
- Maintain portfolio occupancy rate at above 90%
- Directly engage with 90% of tenants on a yearly basis
- Obtain at least one green building certification for our portfolio every year

Progress/Outcomes/Achievements in 2025

- Obtained an annual tenant satisfaction survey rating of 7.62 out of 10, which translated to a score of 76%
- Obtained *Hello Axis* Service Request Satisfaction ratings of 4.27 out of 5, which translated to a score of 85%
- Achieved portfolio occupancy of 94% as at 31 December 2025
- Engaged with over 90% of tenants during the year
- Obtained one green building certification during the year

Additional Achievements:

- Engaged with local councils and/or Bomba 12 times during the year
- Organised five programmes that promote the health and well-being of tenants in multi-tenanted properties



Capital Management

KPI/Targets for 2025

- Grow Axis-REIT's AUM to RM10 billion by the end of 2030
- Organise at least one foreign roadshow to increase foreign investors' awareness and participation in the Fund
- Issue at least RM100 million in rated/unrated corporate Sukuk

Progress/Outcomes/Achievements in 2025

- AUM reached RM5.36 billion as at 31 December 2025
- Organised one foreign roadshow in Japan
- Issued the first rated Senior Sukuk of RM300 million, with a further RM240 million completed on 5 January 2026

Additional Achievements:

- Achieved SPTs and granted sustainability rebates in accordance with SPT terms



Facilities Management

KPI/Targets for 2025

- Have zero incidents of non-compliance with human rights policies among key vendors
- Obtain energy consumption data from tenants
- Achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), from the baseline year of 2019
- Reduce water usage at multi-tenanted properties by 1% over 5 years (2022- 2026), from the baseline year of 2019
- Reduce the volume of waste sent to landfill by 10% in 5 years (2023-2027), from the baseline year of 2022

Progress/Outcomes/Achievements in 2025

- Achieved zero incidents of non-compliance with human rights policies among key vendors
- Collected energy consumption data from 88% of tenants by NLA
- Achieved 10.21% reduction in energy consumption and 13.28% reduction in Scope 1 and 2 GHG emissions in 2025 (from the 2019 baseline)
- Deviated from our water management target, having recorded a 12.1% increase in water consumption and 8.5% in water use intensity in 2025 (from the 2019 baseline)
- Deviated from our waste management target, having recorded a 10.6% increase in general waste disposal in 2025 (from the 2022 baseline)

Additional Achievements:

- Conducted on-site human rights assessments of suppliers for key AELs at six properties

CORPORATE STRATEGY 2026-2027

Investment

KPI/Targets for 2025	Progress/Outcomes/Achievements in 2025
<ul style="list-style-type: none"> ➤ Embark on acquisitions to meet Axis-REIT’s target of growing our AUM to RM10 billion by the end of 2030 ➤ Screen all potential investments for ESG compliance and assess for climate-related risks (including flood and water stress) in accordance with the Initial Due Diligence Assessment Checklist 	<ul style="list-style-type: none"> ➤ One property acquired in 2025 valued at RM38.8 million ➤ All proposed acquisitions were screened for ESG compliance using the Initial Due Diligence Assessment Checklist

Development

KPI/Targets for 2025	Progress/Outcomes/Achievements in 2025
<ul style="list-style-type: none"> ➤ Have zero cases of non-compliance with ESG requirements by main contractors of development projects ➤ Ensure all potential developments are screened for ESG compliance and assessed for climate-related risks (including flood and water stress) during the pre-design stage in accordance with the Initial Due Diligence Assessment Checklist 	<ul style="list-style-type: none"> ➤ No audits relating to ESG compliance by main contractors were performed, as there were no development projects during 2025 ➤ All upcoming developments were screened for ESG compliance and assessed for climate-related risks in accordance with the Initial Due Diligence Assessment Checklist

Governance

KPI/Targets for 2025	Progress/Outcomes/Achievements in 2025
<ul style="list-style-type: none"> ➤ Provide annual training on the ACF Policy, PDPA, and cybersecurity ➤ Maintain zero reported cases of discrimination in the workplace ➤ Conduct at least two employee health and well-being training sessions ➤ Conduct at least two employee group activity sessions ➤ Maintain zero cybersecurity breaches ➤ Monitor and report PDPA compliance status 	<ul style="list-style-type: none"> ➤ Annual training on the ACF Policy, PDPA, and cybersecurity was provided ➤ Achieved zero reported cases of discrimination in the workplace ➤ Carried out a total of three health and wellness activities and two employee group activities ➤ Achieved zero reported cases of cybersecurity breaches ➤ Achieved zero reports on non-compliance or breaches of PDPA <div data-bbox="806 1336 1096 1374" style="background-color: #2e8b57; color: white; padding: 2px; border-radius: 5px; margin-top: 10px;"> Additional Achievements: </div> <ul style="list-style-type: none"> ➤ Axis-REIT’s Carbon Neutrality by 2050 Roadmap was developed and approved by the Board

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

The Manager’s approach to delivering long-term value for Axis-REIT and its stakeholders is anchored in our core values, purpose, strategic priorities, and well-defined success measures. These elements form the foundation of our value-creation model, guiding how we transform the resources entrusted to Axis-REIT into sustainable outcomes that benefit all stakeholders. To ensure our strategy remains responsive and relevant, we engage regularly with tenants, investors, suppliers, regulators, and other key stakeholder groups. By understanding their evolving needs and expectations, we are able to align our strategic direction with the critical roles each stakeholder plays in our ecosystem, thereby strengthening our ability to create enduring value for Axis-REIT.

OUR BUSINESS CAPITAL



FINANCIAL CAPITAL

Axis-REIT’s Unitholders’ capital, Sukuk term financing, Islamic revolving credit facilities, investments, and rental income that are used to support Axis-REIT’s business and operations

INPUTS & BUSINESS ACTIVITIES

- Operational cash flows: RM238.2 million (2024: RM306.6 million)
- Undertaking capital raising to pare down financing and provide financial headroom for property acquisitions
- Managing financial resources through the implementation of a disciplined investment strategy
- Maintaining a proactive portfolio management strategy to preserve and enhance the value of properties
- Adopting cost discipline and optimisation of capital structure
- Maintaining an optimal balance of short- and long-term financing through a prudent capital management strategy
- Increasing the proportion of single-tenanted buildings with triple-net leases in the portfolio
- Obtaining sustainability-linked financing facilities

OUR KEY ENABLERS

Our Vision

To successfully benchmark Axis-REIT against the world’s most successful REITs in terms of total returns to Unitholders and be the REIT of choice for Shariah and non-Shariah investors.

Our Mission

To provide consistent distributions to Unitholders through growing the property portfolio, upholding the highest level of corporate governance, excellent capital and risk management, and preserving capital values.

Six Principles of Management

- Yield-accretive asset purchases
- Prudent capital and risk management
- Excellent investor relations
- Proactive asset and tenant management
- Upholding the highest level of corporate governance
- Development of human capital

Operating Environment



For more details, please see the Operating Environment section on pages 67 to 72 of this Report.

Risks and Opportunities

- Global
- Financial
- Real Estate Management
- Investment
- Development
- Human Resource
- Information Technology
- Environmental



For more details, please see the Risks and Opportunities section on pages 82 to 91 of this Report.

Corporate Strategy 2026-2027

- Real Estate
- Capital Management
- Facilities Management
- Investment
- Development
- Governance



For more details, please see the Corporate Strategy 2026-2027 section on pages 92 to 99 of this Report.



MANUFACTURED CAPITAL

Our structured processes include Axis-REIT’s diverse portfolio of properties and management services which provide the framework of how we do business and create value

- Total no. of properties: 69 (2024: 69)
- Invested RM53.3 million in new property and strategic AEs (2024: RM779.3 million)
- Strengthening the property portfolio with yield-accretive acquisitions and quality new builds
- Preserving the value of the property portfolio through strategic AEs
- Securing credible and reliable tenants
- Aligning our property portfolio with green building standards
- Incorporating green building designs and features in major AEs and development projects, in line with our Environmental Policy
- Leveraging on existing initial due diligence assessments to evaluate flood risks from mid-term to long-term horizons for new acquisitions and proposed developments
- Focusing on build-to-lease projects with long lease tenures



SOCIAL AND RELATIONSHIP CAPITAL

Stakeholder relationships, including suppliers, regulators, and the communities in which we operate, as we recognise the need for interdependent relationships in building a thriving society

- Total community investments: RM184,000 (2024: RM201,000)
- Total procurement from local suppliers (by Property Management Division): RM38.7 million (2024: RM72.7 million)
- Building strong public awareness and brand association of Axis-REIT’s commitments towards sustainability
- Actively providing training sessions for our suppliers
- Upholding strong ethical practices among our value chains by conducting periodic assessments and audits on our key suppliers and contractors
- Forging strong relationships with existing tenants
- Continuous engagement with tenants to understand their business strategies and needs



HUMAN CAPITAL

Our culture and people, collective information, skills, and experience enable innovative and competitive developments and initiatives for our tenants and other stakeholders

- Total workforce: 81 employees (2024: 78 employees)
- Employee training expenses: RM75,000 (2024: RM92,000)
- Providing employee engagement programmes such as ongoing learning opportunities, year-end performance appraisals, an annual dinner, and a company trip
- Providing equal employment benefits to both permanent and contract employees
- Upholding strong HSE practices by on-site managers in accordance with our HSE Policy
- Conducting periodic HSE audits



INTELLECTUAL CAPITAL

The expertise and knowledge inherent to the Manager can be reproduced and shared for sustainable growth

- Implementing annual disaster recovery exercises to ensure the timely recoverability of business-critical systems
- Undertaking an internal audit on IT-related matters
- Implementing multifactor authentication for Microsoft 365
- Installing endpoint detection and response software on office computers
- Conducting regular training and assessments to educate employees on the risk of cyber threats
- Maintaining seamless communication with tenants via our Hello Axis online portal to address their service requests, feedback and complaints



NATURAL CAPITAL

All environmental resources and processes that support current and future prosperity for our business and all our stakeholders through the limitation of negative contributions towards climate change

- Implementing measures to increase energy and water use efficiency
- Upgrading air conditioning systems to environmentally friendly systems at selected multi-tenanted properties
- Facilitating the installation of EV charging stations by our tenants at selected properties
- Actively promoting waste reduction efforts through the 5R concept
- Prioritising the inclusion of additional green building features in major AEs and new developments
- Expanding Scope 3 GHG emissions reporting

VALUE CREATION & SUSTAINABLE DEVELOPMENT GOALS

While creating value for our stakeholders, we also contribute to the United Nations Sustainable Development Goals (UN SDGs). These are the UN SDGs that the Manager is aligned with and committed to:

 <p>5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making</p>	 <p>9.4 Continually upgrade and retrofit our properties with low carbon technology to improve their sustainability and resource-use efficiency</p>	 <p>13.1 Strengthen resilience and adaptive capacity of our buildings to climate-related hazards and natural disasters</p>	 <p>16.5 Uphold a zero-tolerance policy against all forms of bribery and corruption</p>
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OUTPUT AND VALUE CREATED	UN SDGs	TRADE-OFFS & INTERDEPENDENCIES
<ul style="list-style-type: none"> Improvement in revenue and net property income: RM365.0 million and RM316.2 million respectively (2024: RM322.1 million and RM276.6 million respectively) Economic value distributed RM333.7 million (2024: RM285.5 million) DPU: 10.55 sen (2024: 9.27 sen) Liquidity: RM960.9 million (2024: RM686.7 million) Value of committed sustainability-linked financing: RM1.64 billion (2024: RM1.64 billion) 		<p>Financial Capital largely serves as the input for the other capitals, which include investing, enhancing and maintaining our properties (Manufactured Capital), investing in our people (Human Capital), and funding initiatives to reduce our carbon footprint (Natural Capital). As a REIT, we are also committed to growing our Financial Capital to ensure consistent and rewarding income distributions to our Unitholders.</p>
<ul style="list-style-type: none"> Total space under management: 15.09 million sq. ft. (2024: 15.15 million sq. ft.) Number of acquisitions: 1 (2024: 8) Key AEs completed: 13 (2024: 8) Completion of development projects: 0 (2024: 1) Achieved portfolio occupancy rate of 94% and a positive rental reversion of 3.5% (2024: 95% occupancy rate and a positive rental reversion of 5.3%) Secured renewals for 2.8 million sq. ft. of space (representing an 73% tenant retention rate) and secured new tenants for 11% of vacated space during the year New green building certifications: 1 (2024: 1) 	 	<p>In addition to having stringent due diligence processes for potential acquisitions, we also undertake proactive AEs for our existing properties to maintain, refurbish and enhance the value of the Fund's portfolio. These rely heavily on our Financial Capital and Human Capital.</p> <p>Through these efforts, we also aim to meet current market demand and create value for our tenants and potential tenants, thereby boosting our Social & Relationship Capital.</p>
<ul style="list-style-type: none"> Total amount of beneficiaries from our community investment initiatives: 3,203 (2024: 978) 100% of qualified suppliers are local entities (2024: 100%) Total number of suppliers increased by 3.3% Total procurement value (excluding government-related expenses) decreased by 46.8% to RM38.7 million in total procurement A total 28 training programmes were offered to our suppliers (2024: 32) No. of suppliers and/or contractors de-listed from our panel: 5 (2024: 2) Average annual tenant satisfaction survey score: 7.62 out of 10, which exceeds our target of 7 out of 10 (2024: 7.62 out of 10) No. of new green leases for the year (i.e., tenancy agreement featuring ESG considerations): 0 (2024: 3) 	  	<p>As a responsible corporate citizen, we recognise the importance of regular and meaningful engagements with our stakeholders, namely our tenants, contractors, suppliers, and the community around us, to maintain healthy stakeholder relationships.</p> <p>In line with our commitment to reduce our carbon footprint, we also involve our tenants, contractors and suppliers to create value for Natural Capital.</p> <p>In our pursuit of growing our Financial Capital, we also actively contribute to the surrounding communities through our Community Activity & Partnership initiatives.</p>
<ul style="list-style-type: none"> Total employee training hours: 1,872.5 hours (2024: 891 hours) Average training hours per employee: 23.1 hours (2024: 11.4 hours) Proportion of employees receiving regular performance and career development reviews: 100% (2024: 100%) New hires rate: 10% (2024: 2.5%) Employee turnover rate: 6.3% (2024: 5.1%) Gender pay ratio for senior management (male to female): 1.0 : 1.7 (2024: 1.0 : 1.3) No. of work-related fatalities: 0 cases (2024: 0 cases) No. of lost time injuries (LTI): 0 cases (2024: 2 cases) No. of fines or sanctions for non-compliance with OHS-related laws and regulations: 0 (2024: 0) 	     	<p>Human Capital is one of the most important assets in growing the Fund's property portfolio. The Manager invests in its employees through training and development, competitive and fair remuneration packages, employee engagement activities, and by looking after their well-being.</p>
<ul style="list-style-type: none"> Proportion of employees who underwent PDPA training: 100% No. of cases of cybersecurity breaches: 0 cases (2024: 0 cases) Average Hello Axis Service Request Satisfaction Ratings: 4.27 out of 5, which exceeds our target of 4 out of 5 (2024: 4.25 out of 5) Responded to 92% of service request tickets raised from multi-tenanted properties and 97% from single-tenanted properties within 24 hours (2024: 97% from both multi-tenanted and single-tenanted properties) 		<p>Amid rapid digitalisation, we have actively explored opportunities to digitalise our business operations, from our daily routine tasks, to engaging with our stakeholders through virtual platforms.</p> <p>As this exposes Axis-REIT to cybersecurity risks, we actively invest in enhancing our cybersecurity defences, which include educating our people on cybersecurity awareness to effectively manage such risks.</p>
<ul style="list-style-type: none"> Total reduction in energy consumption vs. baseline year: 10.21% (2024: 14.56% reduction) Total reduction in Scope 1 and Scope 2 GHG emissions vs. baseline year: 13.28% (2024: 13.96% reduction) Total Scope 1 and Scope 2 GHG emissions reduction: 13.28% compared to 2019 baseline (2024: 13.96% reduction) Total Scope 3 GHG emissions reported: 262,978 tCO₂e Increase in water withdrawal vs. baseline year: 12.1% (2024: 9.8%) Increase in general waste generated vs. baseline year: 10.6% (2024: 16.8%) Total waste recycled at multi-tenanted properties: 49,630 kg (2024: 44,920 kg) Recycling rate: 4.45% (2024: 3.8%) 	    	<p>We acknowledge the significant implications of climate change on our business and have developed our Carbon Neutrality by 2050 Roadmap. To support this ambition, we continue to explore and implement a range of emission-reduction initiatives, which may have implications for both our Financial Capital and Manufactured Capital.</p> <p>Concurrently, we also encourage our tenants, suppliers and service providers to uphold similar commitments to create long-term sustainable value for our collective Natural Capital.</p>

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

ECONOMIC



Economic Performance



Capitals

- Financial
- Human
- Manufactured
- Social & Relationship

Strategic Pillars

- Capital Management

Business Risks

- Global
- Financial

UN SDGs



Description of Risks Related to Economic Performance

Malaysia's economy continued to strengthen in 2025 with growth of 5.2% year-on-year in the third quarter, supported by resilient domestic demand and gradually improving external conditions. This momentum has lifted occupier sentiment and sustained investment appetite within the real estate sector. Trade stability has also been reinforced by the US–Malaysia Agreement on Reciprocal Trade, which further bolsters investor confidence through tariff exemptions on 1,711 Malaysian products. Against this backdrop, Axis-REIT remains focused on disciplined capital management, portfolio optimisation, and proactive tenant engagement to support long-term value creation.

The Manager navigates this evolving environment by evaluating a comprehensive set of economic SROs that may influence performance, operational resilience, and strategic direction. Key considerations include:

- **Revenue underperformance (including ESG-related constraints):** Weaker demand for business space or more stringent ESG-related tenant screening may moderate rental growth and limit near-term income uplift.
- **Pace of portfolio diversification:** A slower-than-planned expansion into new asset classes or growth markets may heighten concentration risk and reduce exposure to emerging opportunities within the industrial sector.
- **Operational continuity and critical incident response:** Events such as fires, floods, cyber incidents, public health emergencies, or other material disruptions could impede property operations, affect tenant productivity, and undermine income stability. Maintaining robust emergency response and business continuity protocols remains a key priority.
- **Prolonged recovery time:** Extended timelines required to restore business-as-usual operations following a major incident may result in additional remediation costs, prolonged downtime, and temporary income shortfalls.
- **Greenwashing risk and unmet stakeholder expectations:** With the evolving NSRF, maintaining credible, accurate, and sufficiently detailed sustainability disclosures is essential. Incomplete, inconsistent, or misaligned reporting may compromise stakeholder trust, reputational standing, and access to capital.
- **Profitability, DPU targets, and property valuation pressure:** Market yield movements, operating cost inflation, and property-specific considerations, particularly amid changing macroeconomic and financing conditions, may exert pressure on property valuations and influence the Manager's ability to meet profit and DPU objectives.

Through continuous monitoring of these SROs and a forward-looking approach to economic conditions, regulatory developments, and stakeholder expectations, Axis-REIT remains committed to strengthening operating fundamentals, managing risks proactively, and positioning the portfolio for long-term sustainable growth.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Business Model and Value Chain

Economic conditions and evolving stakeholder expectations influence how Axis-REIT secures capital, manages its properties, and delivers long-term value. These dynamics effect every stage of the value chain, and hence understanding these impacts enables the Manager to anticipate challenges, allocate resources effectively, and strengthen the Fund’s overall resilience.



Upstream
(Capital, Lenders, Suppliers, Advisors)

➔ Funding costs, refinancing windows, and vendor pricing influence capital deployment, AEs, and acquisition timing. Shifts in macroeconomic trends coupled with evolving disclosure expectations under the NSRF also influence investor and lender requirements.



Core Operations
(Asset Management, Leasing, and Risk Management)

➔ Tenant retention, re-letting velocity, and disciplined cost management are central to sustaining net property income. Strong incident readiness – covering business continuity, cybersecurity, and health and safety – supports uninterrupted operations, safeguards service levels, and protects cash flows across the portfolio.



Downstream
(Tenants, Investors, Ratings, Regulators, Communities)

➔ Tenant requirements, ESG ratings, and the regulatory landscape contribute to demand patterns, pricing power, and access to capital. Transparent and decision-relevant sustainability disclosures enhance confidence among investors, regulators and external stakeholders, supporting capital access and reinforcing Axis-REIT’s market credibility.

Effects on Strategy and Decision-Making

Axis-REIT’s strategy and decision-making framework is shaped by the need to sustain long-term economic performance while responding proactively to the risks highlighted earlier. The Manager focuses on strengthening the Fund’s financial resilience, optimising capital deployment, and ensuring that its strategic choices support stability, adaptability, and future growth. This is reflected in our disciplined investment practices, cost optimisation efforts, forward-looking liquidity management, and the continued expansion of sustainable financing.

➔ **Disciplined Investment Strategy**
The Manager adopts a disciplined investment strategy to support the Fund’s long-term economic performance and deliver sustainable returns to Unitholders. The strategy is guided by clear investment objectives and policies that govern acquisitions, development projects, and AEs.

All investment decisions are subject to thorough financial and risk assessments to ensure that capital is deployed prudently into properties and initiatives that are strategic, yield-accretive, and value-enhancing. This helps preserve portfolio value and support long-term stability.

The Manager also regularly reviews the portfolio to identify properties that may have reached optimal value for potential disposal. In addition, diversification strategies are considered to reduce concentration risks, including ESG-related risks, to strengthen the overall resilience of the Fund’s property portfolio.

➔ **Cost Discipline and Optimisation**
The Manager maintains strict cost discipline to support the Fund’s long-term economic performance. Operating costs are closely monitored against approved budgets and financial projections to ensure effective cost control. Prudent cost

management and continuous optimisation efforts help mitigate inflationary pressures and economic uncertainties, supporting stable performance and preserving value for Unitholders.

➔ **Efficient Management of Working Capital and Liquidity**
The Manager ensures the Fund maintains sufficient working capital and liquidity to support its operations and strategic objectives. As at 31 December 2025, the Fund’s liquidity remained strong at RM960.9 million, comprising RM77.9 million in cash and short-term Islamic deposits, and RM883.0 million in undrawn financing facilities.

The Fund strategically increased long-term financing in 2025 through Sukuk issuances and sustainability-linked facilities. Following the second Senior Sukuk issuance in January 2026, the average maturity of financing facilities extended from 4.1 years (at year-end 2025) to 5.1 years, long-term financing increased to 68%, refinancing risk was reduced, and cost savings were achieved, while also supporting the Fund’s ESG commitments.

➔ **Sustainability-Linked Financing**
In line with our initiatives to enhance our ESG practices, the Manager has increased sustainable financing continuously since 2022. An additional RM100.0 million sustainability-linked facility was secured in 2025, bringing approximately 90% of the Fund’s committed financing (excluding Sukuk) under sustainability financing as at 31 December 2025. During the year, the Fund reinforced its ESG commitments and successfully met all SPTs, including those linked to the Islamic Profit Rate Swap, resulting in cost savings through rebates.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

Axis-REIT delivered another year of resilient financial performance in 2025, supported by ongoing portfolio optimisation efforts and disciplined capital management. Revenue rose 13.3% year-on-year to RM365.0 million (2024: RM322.1 million), reflecting stronger operational momentum across the portfolio and sustained tenant demand. Growth was supported by additional income streams from earlier property acquisitions and completed developments, along with improved rental performance across the portfolio. These initiatives strengthened recurring income and enhanced portfolio quality.



Details of the Fund's financial performance are set out in the Manager's Discussion and Analysis – Financial Review section on pages 36 to 48 of this Report.

Operationally, expenditure remained within expected ranges, with normal fluctuations in utilities, assessments, maintenance, and Takaful costs. The Manager continued implementing targeted AElS to strengthen building competitiveness, reinforce occupancy levels, and support rent resilience, further contributing to the Fund's stable performance.

From a capital management perspective, funds were deployed prudently, with selective investments made in value-enhancing refurbishments and a strategic acquisition. Refinancing activities were aligned with prevailing market conditions to preserve flexibility and optimise financing costs. Throughout the year, income generation remained steady, with no material adverse impacts from macroeconomic conditions. The Fund is supported by stable operating metrics and consistent domestic demand, maintaining healthy net property income and strong cash flow visibility.

Anticipated Financial Effects

Looking ahead, Axis-REIT's financial outlook is shaped by a combination of market opportunities and emerging compliance requirements. On the revenue front, the Fund may benefit from near-term upside driven by Malaysia's cyclical economic recovery, with the US–Malaysia Reciprocal Trade Agreement reinforcing trade flows and business sentiment. These external tailwinds could translate to improved tenant confidence and a more favourable leasing environment.

Continued AElS, undertaken to uphold building relevance and meet tenant and regulatory expectations, may elevate capital commitments in the short to medium-term. Valuation outcomes and DPU trends could experience sensitivity to market yield movements, broader financing conditions, and individual property performance. Despite this, the Manager's disciplined capital allocation approach, balancing investment, optimisation, and resilience, aims to support sustainable DPU across economic cycles.

Resilience of Our Strategy and Business Model in Relation to Risks Related to Economic Performance

The Manager's strategy is built on portfolio quality, prudent leverage, disciplined capital allocation, and transparent disclosures aligned with the NSRF. This approach is designed to ensure that the Fund remains resilient through different economic conditions. The Manager strengthens operational continuity in maintaining a diversified industrial and commercial tenant base, and applying proactive asset management, which sustains stable cash flows across the portfolio. The phased adoption of NSRF requirements further enhances the clarity and credibility of disclosures, increasing stakeholder confidence and supporting the Fund's long-term access to capital as well as its competitive position.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Economic Performance

The Finance Team closely monitors the Fund's economic performance, reporting monthly to ensure alignment with strategic priorities and financial projections. This includes evaluating the Manager's capital management and allocation approach to promote efficient resource utilisation. The Finance Team upholds financial integrity and adherence to applicable laws and regulations by operating in accordance with established ethical standards, internal policies, and procedures, and complying with MFRS and IFRS accounting standards.

The Manager's ERM Framework further integrates internal controls and risk management considerations into decision-making processes. This framework addresses both financial and non-financial risks, including ESG-related risks and opportunities, and serves as key input into the Fund's strategic priorities and action plans. By embedding structured risk oversight, the Manager supports sustainable operational performance and the achievement of the Fund's long-term objectives.

In addition, the Fund's ongoing ESG commitments have contributed to favourable ESG scores across recognised international benchmarks and indices. These commitments include the continued expansion of sustainability-linked financing and the strengthening of ESG practices across its operations.

Combined with stronger operating performance and disciplined management practices, these measures have supported improvements in economic value distributed and economic value retained, reinforcing the Fund's ability to sustain long-term income distributions while preserving capital stability.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Metrics and Targets

Economic Performance	2025 (RM '000)	2024 (RM '000)	2023 (RM '000)
Economic Value Generated (Revenue) (A) *	373,818	321,684	284,208
Operating Costs (B)	48,775	45,537	42,977
Payment to Government **	12,426	11,274	10,115
Payment to Capital Providers (C)	213,305	165,333	150,756
Community Investment (D)	184	201	181
Payment to Financiers (E)	71,398	74,433	60,541
Economic Value Distributed (F) = (B)+(C)+(D)+(E)	333,662	285,504	254,455
Economic Value Retained (G) = (A)-(F)	40,156	36,180	29,753

Notes:

* After deduction of net remeasurement of loss allowance and bad debt.

** Government-related expenses are quit rent, assessment and service tax.

Outlook

Malaysia's economy is expected to maintain steady growth momentum in 2026, supported by resilient domestic demand, continued realisation of approved investments, and stable external conditions. Improvements in global trade activity, along with the government's ongoing focus on industrial development and supply-chain enhancement, are anticipated to reinforce demand for modern industrial and logistics properties. These trends are likely to sustain high occupancy levels and healthy rental performance, providing a supportive environment for the Manager to pursue strategic acquisitions, development opportunities, and further value enhancement across the Fund's portfolio.

Against this backdrop, the Manager remains committed to progressing towards the Fund's ambition of achieving RM10.0 billion in AUM by 2030. To support this objective, the Manager will continue to uphold investment discipline, optimise working capital, and strengthen the Fund's capital position. The Manager plans to organise at least one foreign roadshow in 2026 to expand international investor awareness and encourage greater foreign participation in the Fund. At the same time, the Manager will ensure continued alignment with sustainability-linked financing criteria to qualify for profit rebates tied to the achievement of SPTs. The Manager will also explore establishing a framework for potential green or sustainability-linked Sukuk issuance to broaden future financing avenues, while separately assessing opportunities for unsecured financing to enhance flexibility and preserve the Fund's unencumbered portfolio base.

Operationally, the Manager will focus on emerging opportunities and initiatives that enhance long-term portfolio resilience and operational efficiency. This includes exploring the introduction of suitable efficiency-enhancing technologies across selected properties, where commercially feasible. Alongside these efforts, the Manager will continue to manage financing risks through disciplined capital management, maintaining diversification of funding sources.

The Manager will ensure consistency with evolving regulatory expectations by continuing to strengthen ESG practices across the Fund's operations, and remain committed to meeting the reporting and disclosure requirements under the NSRF and Bursa Securities' enhanced sustainability framework.

Through the execution of these strategic priorities, the Manager aims to position the Fund for continued resilience, competitiveness, and sustainable long-term value creation for Unitholders in 2026 and beyond.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Tenant Satisfaction



Capitals

-  Manufactured  Intellectual
-  Social & Relationship

Strategic Pillars

-  Real Estate  Facilities Management

Business Risks

-  Global  Real Estate Management

UN SDGs

-  

Description of Risks Related to Tenant Satisfaction

The Manager recognises tenant satisfaction as fundamental to sustaining long-term growth and value creation. As a key sustainability KPI, it reflects the Fund’s operational excellence and service quality. Through ongoing investment in strong tenant relationships, anticipating evolving needs, and delivering resource-efficient properties, we aim to provide environments that support comfort, safety, and sustainability.

Key risks affecting tenant satisfaction include:

- ➔ Rising vacancy rates across the portfolio or specific properties, which may impact revenue stability.
- ➔ Reputational risk arising from associations with unreliable tenants, including those that fail to meet regulatory compliance requirements.
- ➔ Inadequate occupational health and safety (OHS) standards across properties.
- ➔ Credit control challenges associated with high-risk tenants, including exposure to regulatory scrutiny or illegal activities.
- ➔ Inability to meet demand for high-efficiency and sustainable buildings as tenants increasingly prioritise ESG-aligned spaces.

If unmanaged, these risks could lead to financial losses, operational inefficiencies, and reputational harm. Conversely, proactive engagement, enhanced building performance, and sustainability initiatives present opportunities to strengthen tenant loyalty and create long-term value for stakeholders.

Effects on Business Model and Value Chain

Tenant satisfaction is a key consideration in Axis-REIT’s business model and value chain, with implications across upstream, core operations, and downstream activities:



- | | | |
|--|---|--|
| <ul style="list-style-type: none"> ➔ The ability to provide safe, high-quality business spaces in strategic locations, while integrating ESG features, is critical to meeting tenant expectations and sustaining competitiveness. Shortfalls in delivering these standards may weaken demand and reduce the portfolio’s attractiveness. | <ul style="list-style-type: none"> ➔ Declining tenant satisfaction can lead to higher churn rates, increased vacancies, and reduced rental income. These outcomes negatively affect operational cash flows and undermine the Fund’s capacity to maintain stable returns. | <ul style="list-style-type: none"> ➔ Persistent dissatisfaction among tenants may result in lower tenant retention rates, eroding investor confidence and shaping adverse market perceptions of Axis-REIT’s portfolio quality. This could potentially affect capital access and long-term value creation. |
|--|---|--|

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

We recognise that poor tenant satisfaction poses significant risks to the business. To address this, we have focused on building mutually beneficial partnerships that enhance tenant satisfaction, strengthen retention, and sustain high occupancy rates. In broad terms, this includes:

a) Building a strong, diversified tenant base through a stringent tenant screening process

We apply a rigorous screening process for all potential tenants, assessing their financial strength, business sustainability, and governance practices to ensure the Fund secures high-quality, creditworthy occupants. Tenancy agreements also include provisions requiring tenants to refrain from illegal or criminal activities, thereby safeguarding our portfolio's integrity and reputation.

ESG assessments and ratings have been incorporated into the Tenant Checklist since 2023, strengthening the evaluation framework for new and prospective tenants. These assessments cover key ESG pillars:

- **Governance:** Assessment of tenants' established policies addressing key ESG matters.
- **Social:** Assessment of tenants' adherence to relevant labour standards and alignment with human rights practices.
- **Environment:** Assessment of environmental practices implemented by tenants, including water and energy conservation measures and waste management policies.

b) Fostering strong tenant relationships through engagement initiatives

We cultivate close ties with our tenants through regular engagement and outreach programmes, which include monthly property reports, ad-hoc updates and communication, as well as festive greetings. We also proactively promote Axis-REIT's property portfolio through a variety of strategic marketing initiatives, designed to showcase the unique features and advantages of our properties, ensuring that Axis-REIT's portfolio remains the preferred choice among agents, tenants, and potential tenants.



Collectively, these efforts create touchpoints for interactive engagements that give us a deeper understanding of our tenants' unique needs, preferences, and expectations, as well as insights into their business and ESG strategies. This strengthens our tenant relationships and enables better-informed resource allocation in tailoring real estate services and solutions to meet tenant expectations, and at the same time reduces disputes and turnover rates.

c) Ensuring effective communication and handling of complaints and feedback

We strive to respond to all tenant matters promptly, whether they relate to ad-hoc maintenance, scheduled service requests or other feedback. The main channel for tenant feedback and requests is our *Hello Axis* portal, Axis-REIT's tenant management platform. It facilitates the escalation of tenant issues to the Property Management Team and allows for seamless exchange of suggestions and pinpointing areas for improvement. The portal is continuously updated and improved to enhance the user experience, response times, and service levels. All tickets (service requests, inquiries, and feedback from tenants) raised via *Hello Axis* are automatically logged, monitored, and assessed as a key tenant satisfaction KPI.



Additionally, we engage with our tenants through in-person meetings, emails, and phone calls, which are also monitored to ensure all communication is aligned with our commitment to providing excellent service and addressing tenant issues effectively.

d) Ensuring physical business space solutions meet tenants' expectations

Providing safe, high-quality business spaces in strategic locations is fundamental to tenant satisfaction and portfolio competitiveness. We ensure our properties offer conducive working environments, and, where feasible, incorporate sustainability and ESG features that support tenants' business aspirations.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

To this end, we implement asset management initiatives, including AEs, to ensure continued relevance by upgrading properties in line with the needs and expectations of current and prospective tenants. In addition, ESG considerations have been embedded into our Renovation Manual to ensure fit-outs are carried out responsibly and sustainably. This must be adhered to by all tenants as well as the Property Management Team when undertaking any renovation or enhancement works.

e) Promoting sustainability through green leases

Where feasible, we seek to offer green leases particularly to tenants of green-certified properties. This ensures that certification standards are upheld during renewal cycles and that both the Fund and tenants remain aligned with sustainability objectives. Green leases embed environmental commitments into tenancy agreements, covering areas such as energy efficiency, water conservation, and waste management. As at 2025, we have four green leases in our portfolio, and we will continue to expand this initiative in order to strengthen tenant collaboration on ESG practices and safeguard long-term certification standards.

Key Tenant Engagement Initiatives for 2025 included:

Tenant Safety and Well-Being

- Annual maintenance of AED equipment at all multi-tenanted properties.
- CPR certification training for all facilities management employees.



- Annual fire drills and BOMBA training to strengthen emergency preparedness for tenants in multi-tenanted buildings.

Community Engagement

- Collaboration with tenants on community initiatives such as blood donation drives.

Green Infrastructure



- Installation of EV charging stations at Menara Axis to provide convenient, affordable, and accessible charging options for tenants and visitors.
- Hosting an EV charging awareness session in July 2025, allowing tenants to test the chargers free of charge.

Energy and Water Conservation



- Encouraging stair use through circulars and wall stickers at Crystal Plaza to promote energy conservation and healthier lifestyles.
- Awareness campaigns on water conservation via circulars and informative washroom stickers across ten multi-tenanted properties.
- Assessment of water stress risk across all properties with corresponding tenant engagement to evaluate needs and implement appropriate action plans (see Water Management Sustainability Matter, pages 141 to 144).

Air Quality Management

- Periodic testing and treatment of cooling tower water at relevant multi-tenanted properties to maintain good air quality.

AEIs

- Successfully incorporated sustainability considerations in enhancing 13 properties.



More information on AEIs can be found in the Quality Assets & Services – Existing Assets Sustainability Matter on pages 119 to 120 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

In FYE2025, we did not incur material financial losses due to tenant dissatisfaction. Recurring costs were incurred to maintain high service standards and tenant engagement, including:

- ➔ **Property upgrades** for energy efficiency and comfort.
- ➔ **Preventive measures** such as OHS compliance audits and tenant communication programmes.
- ➔ **Engagement initiatives** to address feedback and strengthen relationships.

These costs were budgeted operational and capital expenditures and considered essential for sustaining long-term occupancy and revenue.

Anticipated Financial Effects

Should tenant satisfaction decline significantly, potential financial impacts include:

- ➔ **Revenue loss** from increased vacancy rates and lower renewal rates.
- ➔ **Additional costs** to attract new tenants via marketing, leasing, and property enhancements.
- ➔ **Legal and reputational costs** if associated with non-compliant or high-risk tenants.

While these impacts are difficult to quantify precisely, they could result in reduced cash flows and higher operating expenses. Axis-REIT mitigates these risks through proactive engagement, stringent tenant screening, and continuous improvement of building performance.

Resilience of the Fund’s Strategy and Business Model Regarding Risks Arising from Tenant Satisfaction

We have demonstrated strong resilience to risks related to tenant satisfaction, supported by consistently positive outcomes across key performance indicators. Tenant satisfaction scores remain above target, reflecting the Fund’s commitment to service quality and operational excellence. The portfolio continues to record a high occupancy rate of 94%, exceeding the 90% target, while also achieving a high retention rate in 2025 with successful renewals for 73% of space, while a further 11% were successfully re-tenanted. In total, 84% of the portfolio was renewed or re-tenanted. These results highlight our ability to foster tenant loyalty and secure long-term occupancy stability.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Tenant Satisfaction

Our tenant management efforts are led by the Property Management Team. These efforts aim to create mutually beneficial partnerships that raise tenant satisfaction, drive tenant retention levels and foster high occupancy rates.

The team is largely guided by our Operations Manual, which lays out policies and procedures in managing the Fund’s properties and operations. This includes our compliance with regulatory requirements, internal HSE policies, as well as best practices and standards.

Metrics and Targets

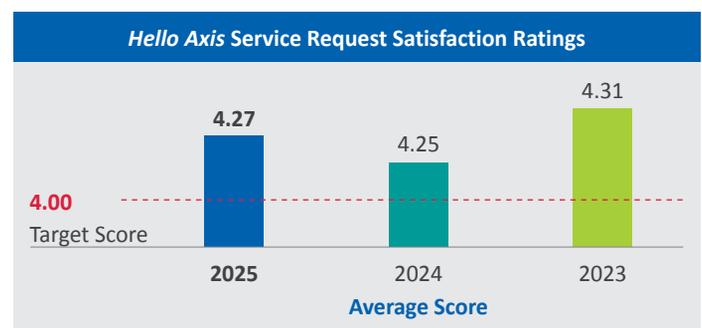
We track the effectiveness of our tenant management initiatives and tenant satisfaction via two separate surveys:

Service requests are submitted via Axis-REIT’s tenant management portal, *Hello Axis*. The portal enables direct communication between the Property Management Team and tenants, allowing seamless tracking and handling of service requests, feedback, and complaints in order to improve response times and service quality. The portal also features the *Hello Axis* Service Request Satisfaction Ratings – a feedback tool at the closure of service tickets that prompts tenants to rate the timing, processes, and effectiveness of services rendered. This helps us better understand tenants’ experiences and improves our processes in addressing their needs and concerns.

Our annual Tenant Satisfaction Survey seeks feedback on the overall experience as tenants at Axis-REIT properties. The survey compiles tenants’ evaluations of our services and response times, their likelihood of recommending Axis-REIT properties to other potential tenants, along with their overall satisfaction as tenants at Axis-REIT properties. This includes evaluations of the physical properties, as well as property management services rendered, such as safety and security, cleanliness, upkeep, as well as communications with the Property Management Team.

We are pleased to report that our overall tenant satisfaction scores for both the *Hello Axis* Service Request Satisfaction Ratings and our Annual Tenant Satisfaction Survey remained well above our targets.

For the *Hello Axis* portal ratings, we garnered an average score of 4.27 in 2025, on a scale of 1 (poor) to 5 (excellent). This was a very slight increase from the 4.25 score achieved in 2024, and remains above our target to secure an average score of 4 and above. The following tables present our average scores, along with an overview of the number of tickets raised, resolved, and unresolved in the last three years. There were nine tickets outstanding at the end of 2025. These remain outstanding due to their timing, having been raised towards the end of the year. Efforts to address these outstanding tickets are in progress.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Property Type	Hello Axis Service Requests (tickets)		
	Raised	Resolved	Outstanding
	2025		
Multi-Tenant	37	37	0
Single-Tenant	105	96	9
	2024		
Multi-Tenant	69	67	2*
Single-Tenant	158	134	24*
	2023		
Multi-Tenant	32	32	0
Single-Tenant	202	174	28**

* resolved in 2025.

** resolved in 2024.

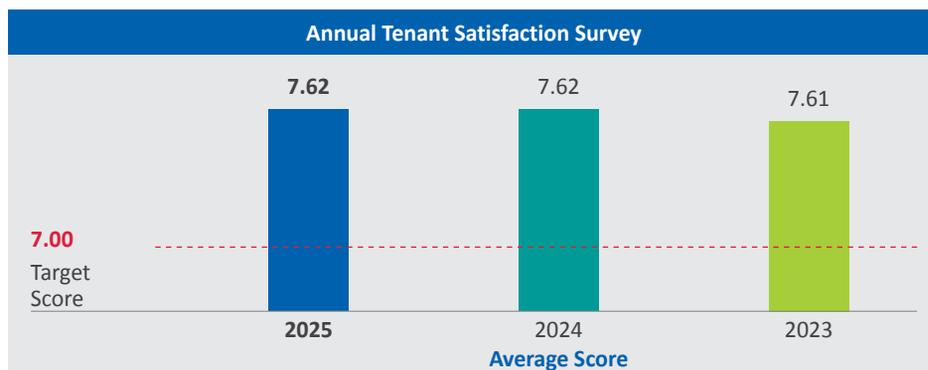
	Hello Axis Service Request Satisfaction Ratings		
	2025	2024	2023
Multi-Tenant	3.67	4.25	4.50
Single-Tenant	4.87	4.24	4.12
Weighted Average	4.27	4.25	4.31

In 2025, we successfully responded to 92% of tickets at multi-tenanted properties and 97% of tickets at single-tenanted properties within 24 hours of the tickets being raised. While the response rate for multi-tenanted properties shows a slight decrease compared to 2024, this was largely due to the nature of the complaints received. Overall, our performance continues to demonstrate a high level of responsiveness across both property types, reflecting our commitment to timely service delivery.

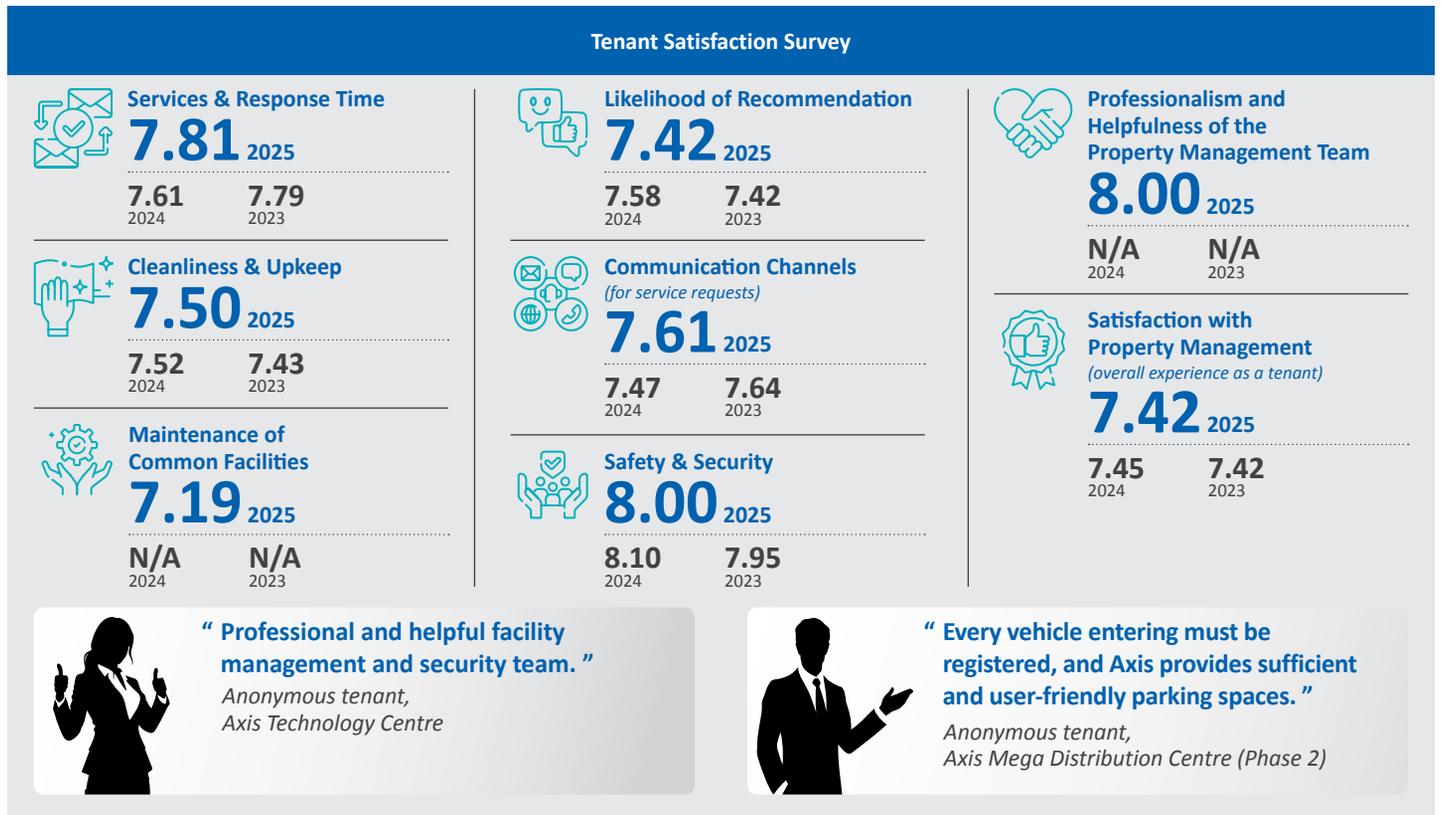
Property Type	2025		2024		2023	
	Ticket Response Time					
	< 24 hours	> 24 hours	< 24 hours	> 24 hours	< 24 hours	> 24 hours
Multi-Tenant	92%	8%	97%	3%	91%	9%
Single-Tenant	97%	3%	97%	3%	97%	3%

Our 2025 Annual Tenant Satisfaction Survey achieved an average score of 7.62 on a scale of 1 (poor) to 10 (excellent). This result exceeded our target score of 7 and remains consistent with our performance in 2024.

Notably, this year we added two new questions on the professionalism and helpfulness of the Property Management Team and the maintenance of common facilities, ensuring that feedback reflects the most relevant aspects of tenant experience.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Axis-REIT’s property portfolio continued to record a high take-up rate in 2025, with year-end occupancy at 94%. While this is slightly below the take-up rate of 2024, it is well within our target of keeping it above 90%.



Outlook

Looking ahead, we will continue to enhance Axis-REIT’s property solutions and services to maximise tenant satisfaction. Our priority remains delivering safe, high-quality, and conducive spaces that support tenants’ business needs while reinforcing long-term sustainability. We will continue to refine operational strategies, strengthen maintenance routines, and deepen tenant engagement, ensuring our portfolio remains resilient and competitive.

For 2026, we are optimistic about maintaining portfolio occupancy at above 90%, supported by robust renewal strategies, proactive tenant engagement, and efforts to attract new tenants. We will focus on lifting renewal rates and encouraging existing tenants to expand their space within the portfolio. Ongoing improvements will be guided by continuous feedback collection and dialogue with tenants, ensuring our real estate solutions remain aligned with evolving expectations and our commitment to excellence.

In addition, we will:

- Enhance regular tenant engagement initiatives to cover at least 95% of tenants, ensuring their business and operational needs are addressed.
- Continue implementing measures that promote the health and well-being of tenants at multi-tenanted properties.
- Offer green leases to new and existing tenants during renewal negotiations, reinforcing our commitment to sustainability.
- Engage with all tenants to improve the collection of high-quality environmental data, particularly on energy usage, GHG emissions, water consumption, and waste management.

These initiatives will further strengthen Axis-REIT’s ability to retain tenants, attract new ones, and deliver sustainable long-term growth.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Quality Assets & Services – New Acquisitions



Capitals

-  Manufactured
-  Financial

Strategic Pillars

-  Investment
-  Development

Business Risks

-  Development
-  Investment
-  Global
-  Environmental

UN SDGs

- 
- 

Description of Risks Related to Quality Assets & Services – New Acquisitions

Axis-REIT seeks to expand its portfolio to deliver consistent returns to Unitholders. To achieve this, the Manager adapts to market conditions and strategic priorities while maintaining a strong pipeline of yield-accretive acquisitions and development opportunities. ESG considerations increasingly guide our selection process, with a focus on incorporating green-certified buildings. This approach reflects market trends, stakeholder expectations, and the Fund’s sustainability objectives.

Acquiring new properties presents several risks:

- **Unsustainable investment decisions** made without proper due diligence and not in alignment with the long-term goals of the Fund.
- **Unsuitable development sites** resulting in project delays, cost overruns, or underutilisation.
- **Environmental and social risks** such as ground contamination or flood-prone areas, may lead to costly remediation and affect property value.
- **Inability to lease completed developments** or loss of competitiveness due to inefficient infrastructure or unsustainable design, may impact occupancy and returns.

If unmanaged, these risks could lead to financial losses, operational inefficiencies, and reputational harm. Conversely, disciplined acquisitions and sustainable development practices create significant opportunities for the Fund. By focusing on high-quality properties in strategic locations and investing in resilient infrastructure, we strengthen tenant demand, attract ESG-conscious investors, and enhance long-term portfolio value.

Effects on Business Model and Value Chain

Acquiring new properties is a core driver of Axis-REIT’s growth strategy, directly influencing portfolio quality, income stability, and long-term competitiveness. Sustainability-related risks associated with acquisitions affect multiple stages of the value chain:



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

Axis-REIT's primary focus is to acquire quality properties located within prime areas with mature amenities in order to grow its portfolio and provide consistent distributions to Unitholders. Industrial properties have demonstrated resilience in generating returns, particularly during periods of economic uncertainty such as the COVID-19 pandemic. This resilience has attracted increased interest from property investors, developers, and other funds, creating a more competitive landscape for identifying yield-accretive industrial properties.

To maintain our competitive edge, Axis-REIT prioritises acquisitions of industrial properties strategically located near major highway networks and ports. These locations enable tenants to rationalise operational costs, which is increasingly critical as businesses navigate trade tariffs and the expansion of SST into broader categories. By focusing on such well-connected, prime industrial properties, Axis-REIT strengthens its ability to deliver sustainable returns and long-term value to stakeholders.

We adopt a disciplined approach to property acquisitions and developments, guided by internal policies that shape our investment decisions. These policies are designed to identify, assess, and manage economic, financial, and ESG-related risks and opportunities, ensuring that each addition to our portfolio is strategic, yield-accretive, and value-enhancing. This approach safeguards the value of the Fund's property portfolio, the interests of stakeholders, and the surrounding environment. These policies for evaluating potential property acquisitions and development opportunities are integrated into our feasibility studies and due diligence processes. Only properties and projects that meet our assessment criteria are presented to the Board for approval, and subsequently recommended to the Trustee for execution. The vendors and tenants of these new properties are also screened through our due diligence process, where the Manager

assesses the risks associated with the vendors and tenants. If such risks are not mitigated, especially during the legal documentation process, such proposals will be flagged and potentially be discontinued by the Fund.

At the beginning of 2025, we included water stress vulnerability assessment into our due diligence checklist. We also implemented a comprehensive scenario analysis in the fourth quarter of 2025 that will strengthen the resilience of our portfolio and enhance our portfolio management strategy. These updated checklists allow us to have a more comprehensive and holistic view of each acquisition from the ESG lens.

In the fourth quarter of 2025, we have also commenced a detailed Environmental Site Assessment (ESA) on a potential acquisition that was announced on 6 November 2025.

The details of our due diligence and ESG scoring systems are described in the sections below.

Financial Effects

Current Financial Effects

In FYE2025, Axis-REIT incurred standard due diligence costs for acquisitions, including engineering, legal reviews, environmental assessments, and financial screenings. These costs are considered necessary to mitigate long-term risks and ensure portfolio quality.

Anticipated Financial Effects

If acquisition risks materialise, potential impacts may include:

- **Significant capital outlays** for remediation or redesign of unsuitable properties
- **Revenue loss** from delayed leasing or inability to attract tenants
- **Legal and compliance costs** arising from association with high-risk vendors or tenants
- **Reputational damage** indirectly affecting investor confidence and access to capital

Such impacts could reduce returns and compromise growth objectives.

Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Quality Assets & Services – New Acquisitions

Our acquisition strategy demonstrates strong resilience through a foundation of robust governance and risk management. Each acquisition undergoes comprehensive due diligence encompassing technical, financial, legal, environmental, and social factors, alongside strict vendor and tenant screening, including credit checks and compliance verification. Sustainability considerations are increasingly integrated into decision-making, with priority given to properties that feature green certifications and resource-efficient designs. Additionally, scenario planning and risk assessments help anticipate regulatory and environmental challenges. Collectively, these measures ensure that every acquisition enhances portfolio quality, safeguards long-term competitiveness, and aligns with our sustainability commitments.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Quality Assets & Services – New Acquisitions

New Property Acquisitions – Initial Due Diligence Assessment Checklist

For all potential acquisitions, we conduct a comprehensive due diligence assessment that includes a robust scoring system. This process was enhanced to include climate risk vulnerability assessments. Each target is assessed and rated against a detailed scoring checklist to ensure alignment with our strategic priorities and risk management framework. Key criteria covered in the checklist include:

- Proximity and access to public transportation networks
- Risk of flooding
- Proximity to natural water sources
- Assessment of past soil settlement issues

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- Assessment of potential hazards from adjacent properties/land
- Evaluation of green building features such as rainwater harvesting tanks, energy-efficient lighting, and solar panels
- Assessment of proper storage of scheduled waste
- Assessment of vulnerability to climate risks in the real estate life cycle
- Observation on use of asbestos
- Water stress vulnerability assessments

An ESA may be conducted where necessary as part of our due diligence process to evaluate potential environmental risks. This includes reviewing a site's historical information, conducting soil and groundwater sampling to identify contamination, and determining compliance with applicable local and federal regulations. The findings of the ESA guide our next steps, including the implementation of remedial actions to address identified issues or liabilities. In 2025, we conducted one ESA on a property to be acquired, following the findings of our due diligence process.

New Developments/Major AEs – Initial Due Diligence Assessment Checklist

The Manager strategically expands the portfolio by proactively identifying and evaluating new development opportunities. Guided by comprehensive guidelines, we ensure all projects are commercially viable, compliant with regulatory criteria, and value-enhancing for the Fund and its Unitholders. The assessment process includes:

- Conducting feasibility studies to assess the suitability of all projects
- Sourcing of potential land/properties that fulfil the project's requirements
- Calculating the development project costs and revenue projections
- Coordinating due diligence processes with consultants on shortlisted properties
- Conducting vulnerability assessments on climate risks

- Conducting ESAs (if necessary), in line with regulatory requirements
- Conducting Traffic Impact Assessments and a review of public transportation access during the design and development stages for all new developments
- Conducting water stress vulnerability assessments

Our experienced Project Management Team oversees each development from inception to completion, ensuring projects are delivered to specification, on schedule, and within budget.

Metrics and Targets

In 2025, Axis-REIT successfully obtained vacant possession for one property, with three additional acquisitions currently in progress. Each transaction has undergone rigorous initial due diligence and was approved upon achieving satisfactory outcomes. While no new development projects were initiated during the year, plans are in place to commence new developments in 2026.



* This property was acquired for development, with vacant possession obtained in 2025.

This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.



More information on our acquisitions and development projects is presented in the Investment Review section on pages 55 to 58 of this Report.

Target for Green Building Certification

Our Environmental Policy underpins our commitment towards environmental sustainability. Guided by this policy, we seek to increase the number of green-certified buildings in the Fund's portfolio, targeting to obtain at least one green building certification for our portfolio every year.

In 2025, the Fund achieved notable progress in green certifications, securing one new certification. These achievements demonstrate and reaffirm our commitment to sustainable building practices. With these certifications, the Fund has seven green building certifications for six properties which account for 21% of total space under management as at 31 December 2025. This reflects our conscious efforts to include green building certification considerations (including building management standards) when evaluating potential acquisitions and development projects, as well as to pursue such accreditations for existing properties, where feasible.



Target:

To obtain at least 1 green building certification for the portfolio every year.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Properties with Green Building Certification (Building Management Standards)		
Properties	Type of Certification	Date of Certification
Axis Facility 2 @ Bukit Raja	GreenRE Silver	September 2023
DW1 Logistics Warehouse	GBI Certified	June 2024*
Bukit Raja Distribution Centre 2	GreenRE Gold	August 2024
Axis Mega Distribution Centre (Phase 1) **	GreenRE Silver	December 2024
Axis Mega Distribution Centre (Phase 2) **	GreenRE Gold	December 2024
Axis Aerotech @ Subang	GreenRE Bronze	December 2024
Axis Facility @ Batu Kawan	GreenRE Bronze	July 2025

Green Building Certification Profile		
Total Number of Properties with Green Building Certification	% of Total Property Portfolio with Green Building Certification	% of Space Under Management with Green Building Certification
6***	8.7%	21%

* Date of certificate renewal.

** Axis Mega Distribution Centre comprises 2 phases (Phase 1 and Phase 2), and is considered to be 1 large property with 2 separate buildings. Phase 1 was completed in 2018 and Phase 2 was completed in 2024, with each having separate green building certifications.

This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

Outlook

We acknowledge the challenging environment faced by the REIT sector, driven by uncertainties in global trade, rising operational costs, and evolving laws and regulations. In the year ahead, the Manager will adopt a balanced approach to navigating these headwinds while reinforcing our commitment to managing both physical and transition climate-related risks in line with the Fund's sustainability objectives.

Building on the foundation established through prior climate risk assessments, we will refine our approach by integrating more effective adaptation and risk-mitigation strategies. At the same time, we will maintain continuous monitoring of emerging risks that could affect our property portfolio, ensuring resilience and agility in our response.

To further reduce our environmental footprint, we will continue conducting feasibility studies across our properties, with the aim of identifying opportunities to incorporate the latest green technologies. In addition, we will deepen our focus on acquiring green-certified buildings where possible, and advancing sustainable development projects, with our target of securing new certifications annually. These initiatives ensure that sustainability remains firmly embedded in the core of our operations and investment strategy, supporting long-term value creation for our stakeholders.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Quality Assets & Services – Existing Assets



Capitals

-  Manufactured  Financial
-  Social & Relationship

Strategic Pillars

-  Development  Facilities Management

Business Risks

-  Real Estate Management  Environmental

UN SDGs

8
DECENT WORK AND ECONOMIC GROWTH

11
SUSTAINABLE CITIES AND COMMUNITIES

Description of Risks Related to Quality Assets & Services – Existing Assets

The Fund’s property portfolio operates in a dynamic environment where risks must be managed to sustain growth and resilience. Disciplined asset management and enhancement initiatives provide a strong foundation, but ongoing challenges require proactive oversight to protect value and stakeholder confidence.

Key risks associated with managing existing assets include:

Cost Management Risk:
Inability to achieve cost-effectiveness in facilities management could lead to escalating operating expenses.

Regulatory & Compliance Risk:
Ignorance or non-compliance with relevant regulations may result in penalties and reputational damage.

Strategic Risk:
Inability to align property management with evolving market demands and innovation could cause a decline in competitiveness and tenant satisfaction.

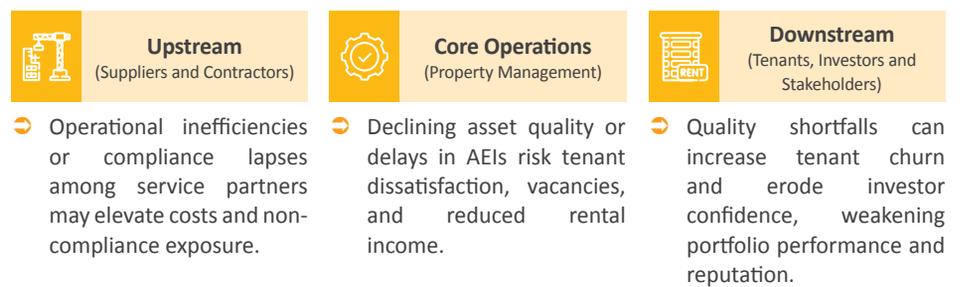
Climate Change Risk:

Increasing frequency of extreme weather events, rising temperatures, and evolving environmental regulations may damage properties, disrupt operations, and increase costs for adaptation and compliance.

Effects on Business Model and Value Chain

These key risks may raise costs, disrupt operations, and weaken our reputation for delivering quality. However, these risks also create opportunities to enhance property value through proactive maintenance, compliance assurance, and innovative technologies that improve efficiency and sustainability.

The management of the existing portfolio directly influences Axis-REIT’s business model and value chain, with implications across upstream, core operations, and downstream activities:



Effects on Strategy and Decision-Making

Operating costs saw a slight increase in 2025 in comparison to 2024, due to the expansion of our portfolio, higher assessment taxes, the increase in minimum wages, and increased water tariffs. Despite these pressures, Axis-REIT has been able to manage operating expenditure risks effectively through its triple-net leases strategy, which apply to our single-tenanted properties that represent 73% of the entire portfolio. Under this structure, operating expenses are contractually managed at the tenant level, providing a natural hedge against rising costs and supporting the Fund’s financial resilience and growth.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

To safeguard the long-term quality and sustainability of our properties, we conduct comprehensive risk assessments across all properties. These cover health and safety, building structures, energy efficiency and supply, greenhouse gas emissions, water supply, flooding risks, and regulatory compliance with authorities such as Bomba, local councils, and the Energy Commission. Preventive maintenance reviews play a crucial role in this process. In 2025, these reviews highlighted opportunities to upgrade air-conditioning systems and improve roof and gutter performance. We incorporated these improvements into our AELs to strengthen efficiency, durability, and overall property standards.

Monthly reports issued to tenants of single-tenanted properties provided further insights into compliance and maintenance practices. These reports guided tenants in aligning with Axis-REIT’s policies, operating manuals, and tenancy terms, while also reinforcing adherence to regulatory requirements. This ongoing initiative ensures that maintenance actions are consistent with both internal standards and external obligations, supporting the long-term integrity of our portfolio.

Maintaining the quality and physical condition of our properties remains a core responsibility. We deliver this through a combination of planned preventive and ad-hoc maintenance services, ensuring that AELs and redevelopment projects are executed in line with our policies and manuals, delivered on schedule and within budget.

Service providers and contractors appointed for preventive maintenance are closely supervised to ensure compliance with agreed service levels and guidelines. Regular communication with suppliers facilitates consultation and continuous improvement, helping us establish efficient maintenance schedules that minimise downtime from system failures such as lift or air-conditioning breakdowns. In addition, we conduct annual HSE audits and Onsite Vendor Assessments, reviewing at least five material vendors to evaluate their health, safety, and human rights practices. These assessments highlight any safety or compliance gaps, ensuring that our supply chain partners uphold the same standards of responsibility and compliance that we require internally.

We engage suppliers and service providers in monthly meetings to discuss improvements and identify necessary actions, thereby strengthening collaboration and performance. Alongside this, we organise monthly training sessions for the Property Management Team, suppliers, and service providers to ensure they remain competent and up to date on technical and regulatory developments. These courses focus on health and safety as well as technical and non-technical skills.

 For more details on these courses, please refer to the Responsible Supply Chain, Occupational Health and Safety and Talent Development sustainability matters.

In addition to these operational measures, 2025 saw the commencement of a cashless and LPR parking systems at Menara Axis and Crystal Plaza, enhancing convenience and efficiency for tenants and visitors.

In 2025, the Investment Team undertook a robust review of leasehold tenures and worked on a lease extension of one property, which is about to complete. The cost of this extension amounted to RM6.6 million. Another six properties were also identified by the team for future leasehold tenure extension.

Key portfolio activities in 2025 are summarised as follows:

- |  | Multi-Tenanted Properties |
|--|---|
| ➤ | Implementing AELs as needed to ensure that properties remain relevant and competitive in the market. |
| ➤ | Conducting scheduled checks on mechanical, electrical, and plumbing (MEP) systems and non-MEP systems. |
| ➤ | Keeping updated records on compliance with the building codes. |
| ➤ | Inspecting accessibility for disabled persons at all buildings according to the Uniform Building By-Laws (UBBL) 1984, and improving this, where possible, when undertaking AELs. |
| ➤ | Appointing only competent suppliers and service providers to undertake routine and ad-hoc service and maintenance work, as recommended in the Operations Manual. |
| ➤ | Reviewing annual preventive maintenance checks, policies, and procedures to identify any gaps and areas for improvement. |
| ➤ | Regularly communicating with tenants to obtain feedback on the functionality of facilities and services. |
| ➤ | Conducting routine in-house and outsourced training on MEP services to ensure relevant employees have the necessary technical skills and knowledge to perform their duties competently. |
| ➤ | Conducting routine building inspections and audits in accordance with the daily inspection checklist. |
| ➤ | Engaging Takaful operators to conduct annual Risk Management Surveys. |
| ➤ | Engaging external consultants (energy auditors, civil and structural engineers, firefighting consultants, and indoor air quality specialists) for expert input and recommendations. |
| ➤ | Ensuring compliance with all relevant building codes (Fire Certificates, Certificate of Completion and Compliance, etc.). |

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Single-Tenanted Properties

- Implementing AElS as needed to ensure that properties remain relevant and competitive in the market.
- Regularly visiting the Fund's single-tenanted properties to inspect the buildings' structures, overall condition, and MEP systems.
- Keeping updated records on compliance with the building codes.
- Inspecting accessibility for disabled persons at all buildings according to the UBBL 1984 and improving this, where possible, when undertaking AElS.
- Issuing monthly reports to tenants that include the general property condition, compliance to the building codes, and any corrective actions required by the landlord and/or tenant.
- Engaging Takaful operators to conduct annual Risk Management Surveys.
- Engaging external consultants, as well as federal and state government agencies, on flood mitigation plans for selected properties.
- Maintenance and upgrading of drainage systems within our property boundaries (where necessary).

Financial Effects

Current Financial Effects

In FYE2025, Axis-REIT did not experience material financial losses from asset quality issues. However, recurring costs were incurred for:

- **Preventive maintenance programmes** and compliance audits.
- **Strategic AElS** to improve building efficiency and tenant experience.
- **Technology upgrades** for resource optimisation and sustainability.

These costs are treated as part of operational and capital expenditure, supporting long-term asset resilience and tenant retention.

Anticipated Financial Effects

If risks materialise, potential financial impacts include:

- **Higher operating costs** due to inefficient facilities management.
- **Regulatory fines or penalties** for non-compliance.
- **Capital outlays** for urgent remedial works or accelerated AElS.
- **Revenue loss** from tenant churn and increased vacancy rates.

Collectively, these factors could negatively impact cash flow and overall profitability. To mitigate these risks, Axis-REIT adopts a proactive approach through structured maintenance planning, robust compliance monitoring, and continuous investment in technology-driven solutions. With this in mind, the Manager has allocated at least RM50 million over the next two years to develop selected properties as green-certified buildings, thereby enhancing asset resilience, improving operational efficiency, and supporting long-term sustainable value creation.

Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Managing Existing Assets

Axis-REIT's strategy has proven resilient through robust asset management practices and continuous improvement. The Fund consistently demonstrates its ability to withstand market challenges and deliver sustainable value through:

- Robust facilities management systems that keep operating costs efficient and ensure regulatory compliance.
- Regular AElS and sustainability upgrades that enhance building performance, improve tenant satisfaction, and support high occupancy levels.

- Sustainability considerations embedded throughout our operations, including energy efficiency measures, resource conservation, and alignment with ESG standards.
- Strong governance and monitoring frameworks that reinforce investor confidence by ensuring adherence to legal and ESG requirements.

These achievements reflect Axis-REIT's resilience in practice, enabling the Fund to maintain a competitive, future-ready portfolio. Importantly, no regulatory fines or penalties were incurred in 2025, reflecting a rigorous approach to compliance and governance measures.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Managing Existing Assets

Our efforts in maintaining the quality of the Fund's existing properties and services are guided by four key policies and guidelines, which are periodically reviewed and enhanced to ensure their relevance and effectiveness:



Environmental Policy

Our Environmental Policy details the methods we use to achieve our sustainability objectives, demonstrating our dedication to sustainability. In managing existing properties this includes improving and incorporating sustainability features, such as using eco-friendly materials and resource-efficient fixtures and fittings during maintenance, upgrades, and refurbishment projects. These investments not only reduce operational costs and support our sustainability goals, but also assist our tenants in reaching their own sustainability targets.



HSE Policy

Our HSE Policy establishes standards to ensure a safe working environment for our employees, tenants, contractors, community, and other stakeholders, underscoring our commitment to excellence in health, safety, and environmental practices. In line with this policy, the Property Management Team has implemented various measures to uphold health and safety standards in the maintenance of the Fund's existing properties and services. These measures

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

include conducting periodic HSE audits, as well as establishing and implementing an Onsite Vendor Assessment that incorporates human rights elements, ensuring ongoing compliance with regulatory requirements.



Operations Manual

The Operations Manual specifies internally developed procedures and policies that guide our planning, decision-making, and daily activities in managing Axis-REIT. This encompasses property maintenance and enhancement initiatives with the aim of maintaining and improving the quality of Axis-REIT's existing properties. These procedures and policies are designed to provide tenants with safe, secure, clean, and conducive working environments, while also preserving and enhancing the value of the properties in an efficient and sustainable manner. In 2024, we updated the Operations Manual to further define the reporting flow for occupational health and safety management.



Renovation Manual

Our Renovation Manual delineates the guidelines and practices for renovating properties in our portfolio. It incorporates ESG considerations and addresses waste management practices – such as the 5R concept – as well as the safe disposal of scheduled waste. Additionally, it covers topics related to water and electricity conservation through responsible usage and the installation of water and energy-saving fixtures. Inclusion of clauses on the use of low volatile organic compound materials aligns with international standards and labour regulations. In 2024, we updated our existing renovation guidelines to align with 2022 amendments to the Occupational Safety and Health Act 1994.

Metrics and Targets

In 2025, the Manager implemented key AEIs at 13 properties across Axis-REIT's portfolio. All initiatives integrated sustainability considerations, with notable measures including the installation of EV charging stations, upgrades to health and safety equipment, and enhancements to accessibility for disabled persons.



Number of properties with key AEIs in FYE2025

13



Percentage of AEIs incorporating sustainability considerations

100%

The Property Management Team oversaw the following key AEIs in 2025:



WISMA KEMAJUAN

- ➔ Repainted external building facade

MENARA AXIS

- ➔ Installed EV charging stations
- ➔ Upgraded parking system to a cashless and LPR system
- ➔ Upgraded the fire alarm panel



AXIS TECHNOLOGY CENTRE

- ➔ Upgraded driveway
- ➔ Installed new passenger lift
- ➔ Installed ramp for disabled access



CRYSTAL PLAZA

- ➔ Upgraded the parking system to a cashless and LPR system



AXIS SHAH ALAM DISTRIBUTION CENTRE 2

- ➔ Repainted external building facade



QUATTRO WEST

- ➔ Upgraded the fire alarm panel

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



AXIS SHAH ALAM DISTRIBUTION CENTRE 4

- ➔ Upgraded the building's sewer line



AXIS INDUSTRIAL FACILITY 1 @ SHAH ALAM

- ➔ Installed new high tension transformer electrical cables



AXIS INDUSTRIAL FACILITY @ RAWANG

- ➔ Enhanced roof metal deck and gutter



AXIS HYPERMARKET @ SUNGAI PETANI

- ➔ Upgraded domestic cold water piping



SEBERANG PRAI LOGISTICS WAREHOUSE 1

- ➔ Upgraded warehouse roof insulation



SEBERANG PRAI LOGISTICS WAREHOUSE 3

- ➔ Installed waterproof membrane on the roof and gutter



BAYAN LEPAS DISTRIBUTION CENTRE

- ➔ Upgraded cooling tower in-fills and related works

Outlook

The Manager will continue to maintain and enhance the Fund's existing properties while embedding sustainability considerations, including flood mitigation measures for properties located in flood-prone areas.

Building on the successful implementation of cashless parking systems at selected properties in 2025, we plan to extend this initiative by upgrading conventional parking facilities at other multi-tenanted properties in the coming year.

Looking ahead to 2026, our strategy includes retrofitting at least one property each year with green features such as EV charging stations and renewable energy solutions, reinforcing our commitment to sustainable growth and portfolio resilience. In line with this, we plan to install EV charging stations at selected multi-tenanted properties to meet sustainability commitments and rising demand.

We have also identified six properties for future leasehold tenure extension to secure long-term value and sustainability.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Responsible Supply Chain Management



Capitals

-  Social & Relationship

Strategic Pillars

-  Development
-  Investment
-  Facilities Management

Business Risks

-  Development
-  Investment
-  Real Estate Management
-  Global

UN SDGs

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Description of Risks Related to Our Supply Chain

The Manager remains committed to embedding long-term ESG principles across its supply chain. We actively engage with suppliers and service providers to ensure alignment with our ethical standards and sustainability expectations. This collaborative approach strengthens our ability to uphold integrity, environmental stewardship, and social responsibility throughout our value chain.

At the same time, supply chain management also presents inherent risks. These risks primarily arise when vendors, suppliers, or contractors fail to comply with regulatory requirements or industry best practices. Key areas of concern include:

- ➔ **Regulatory compliance:** Breaches of environmental laws, health and safety standards, or labour laws can result in legal action, fines, or stop-work orders.
- ➔ **Operational reliability:** Delays in services or deliverables, poor workmanship, or inadequate quality controls may reduce productivity and undermine property performance.

- ➔ **Ethical conduct:** Not adhering to business ethics, anti-corruption measures, or fair labour practices can undermine stakeholder trust and expose the organisation to reputational damage.
- ➔ **Sustainability alignment:** Suppliers that do not meet ESG expectations may compromise Axis-REIT's ability to achieve long-term sustainability targets and fulfil investor commitments.

Conversely, by effectively managing these risks, the Fund can unlock opportunities to enhance resilience, strengthen stakeholder trust, and drive long-term sustainable value creation.

Effects on Business Model and Value Chain

If unmanaged, the risks outlined above can lead to significant consequences, including higher costs, reduced operational efficiency, reputational damage, and adverse media coverage.

<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;">  <p>Upstream (Suppliers and Contractors)</p> </div> <ul style="list-style-type: none"> ➔ Non-compliance by suppliers or contractors can disrupt procurement timelines and service delivery, increasing operational risk and cost. Strengthening supplier due diligence processes and ESG screening are essential to ensure reliability, compliance, and ethical standards across the supply chain. 	<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;">  <p>Core Operations (Asset Enhancement, Development, and Building Services)</p> </div> <ul style="list-style-type: none"> ➔ Delays, poor workmanship, or stop-work orders arising from supplier breaches may directly affect project schedules, property upkeep, and building services quality. These disruptions can reduce tenant satisfaction, compromise asset reliability, and ultimately impact revenue streams and long-term competitiveness. 	<div style="background-color: #FFC107; padding: 10px; margin-bottom: 10px;">  <p>Downstream (Investors and Stakeholders)</p> </div> <ul style="list-style-type: none"> ➔ Investors and regulators increasingly demand robust supply chain governance. Failure to demonstrate responsible practices may erode investor confidence, restrict access to capital, and jeopardise compliance with ESG-related obligations. These may result in reputational harm and adverse media coverage.
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MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

Supply chain risks are core to shaping our strategy and decisions. To address these risks, our Property Management Team has established a framework consisting of pre-qualification assessments, annual supplier evaluations, and strict adherence to our Supplier Code of Conduct. This ensures that all goods and services — including those from contractors, cleaners, and security personnel — meet high standards and are sourced from reputable providers. We prioritise local sourcing to support the local economy while reducing exposure to external disruptions. These measures, outlined in detail below, are both operational safeguards and strategic drivers that advance the Fund's sustainability agenda while protecting it from legal, reputational, and financial risks.

Pre-qualification Assessment

Prior to engaging a new supplier or service provider, we conduct a rigorous pre-qualification assessment. This process evaluates the candidates' financial stability, while identifying ethical and reputational risks through CTOS screenings, thorough background checks, and assessing their ESG commitments and practices. Only companies that achieve satisfactory scores and meet our stringent standards are added to the Fund's list of approved suppliers. This ensures that entities we partner with are aligned with our values and contribute to our goals of sustainability and ethical business practices.

Annual Supplier Evaluation

To assess the performance of our existing suppliers and service providers and identify opportunities for improvement, we conduct comprehensive annual evaluations. These cover key areas such as responsiveness, pricing, delivery, quality, after-sales service, management effectiveness, and adherence to our Supplier Code of Conduct. As part of this process, we also conduct annual CTOS verifications to confirm our suppliers' continued financial stability.

Suppliers who achieve satisfactory scores in these evaluations are retained for future

engagements, while those who do not meet our standards may face temporary suspension or be removed from our list of approved suppliers. Through regular engagements with our suppliers and service providers, we strengthen relationships, drive positive performance, and minimise supply chain risks. This helps us consistently deliver best-in-class services to our tenants and other stakeholders, supporting our overarching goals of excellence and sustainability.

Supplier Evaluation Criteria

	Responsiveness
➔	On requests for quotations/proposals
➔	On technical/commercial requests
	Price
➔	Competitiveness of pricing
➔	Terms and conditions
➔	Billing/Invoicing
	Delivery
➔	Timeliness
➔	Flexibility on delivery
➔	Responsiveness to requests
➔	Resolution of delays
	Quality
➔	Consistency of quality
➔	Submission of required documentation
➔	Conformity to drawings and HSE requirements
➔	Job site performance/quality of work
	After Service
➔	Technical support and expertise
➔	Defect rectification
➔	Other support/closure



Effectiveness of Management

- ➔ Professional conduct and communication
- ➔ Effectiveness of job site supervision
- ➔ Adoption of ESG/sustainability initiatives/process/procedures for business operations
- ➔ Compliance with Axis-REIT's Supplier Code of Conduct



Financial Standing

- ➔ CTOS verification

Our initiatives in 2025 continued to reinforce the integrity and resilience of our supply chain in creating long-term value for all our stakeholders. These included:

Four initiatives to reinforce the integrity and resilience of our supply chain

- ➔ Maintained stringent supplier pre-qualification processes before admission to our list of approved suppliers, which subjected all potential new suppliers to comprehensive evaluations by the Property Management Team and the Finance Team.
- ➔ Updated the vendor pre-qualification form to formally document and govern exemptions arising from unfavourable CTOS and SSM assessments.
- ➔ Broadened our vendor pre-qualification process to incorporate checks against the Malaysian Anti-Corruption Commission's (MACC) Corruption Offender Database, in addition to CTOS and SSM assessments.
- ➔ Conducted regular assessments through training, ad-hoc site visits, and audits by the HSSE Manager and on-site personnel, ensuring compliance with HSE practices at all ongoing developments, maintenance, and AEI project sites.
- ➔ Conducted regular health and safety training sessions for suppliers and other relevant external parties to ensure compliance with our HSE Policy and Supplier Code of Conduct.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

In the current financial year, Axis-REIT did not experience any material financial loss arising from supply chain-related incidents. However, the Fund incurred recurring costs in maintaining robust supply chain governance and ESG compliance, including:

- **Supplier due diligence and pre-qualification assessments**, such as CTOS screenings and background checks.
- **Annual supplier evaluations**, covering ESG adoption, quality standards, and compliance with our Supplier Code of Conduct.
- **Preventive measures**, including engagement sessions with suppliers and implementation of sustainability criteria in procurement processes.

These measures are essential to mitigate risks of non-compliance and supply chain disruptions and are accounted for as part of operational expenses.

Anticipated Financial Effects

If a major supplier breach or regulatory non-compliance occurs, potential impacts include:

- **Cost overruns** due to delays in project timelines, resulting in delayed project delivery to tenants.
- **Additional expenses** for sourcing alternative suppliers or deploying contingency measures.
- **Legal costs** arising from contractual disputes or regulatory penalties.
- **Reputational damage**, which could affect investor confidence and tenant relationships.

While these exposures are difficult to quantify precisely, they could result in increased operational costs and reduced efficiency. Axis-REIT continues to implement proactive measures — such as stringent supplier screening and ESG integration — to minimise these risks.

Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Our Supply Chain

Axis-REIT's strategy has shown strong resilience to supply chain risks, with no fines or penalties incurred in 2025. This resilience is underpinned by clear governance frameworks and disciplined procurement processes, integrating ESG criteria into supplier assessments and enforce compliance through our Supplier Code of Conduct. Ongoing supplier engagement and monitoring ensure alignment with sustainability objectives and regulatory standards.

In the event of disruption, our diversified supplier base and contingency planning allow for rapid response and recovery, limiting operational impact. These measures jointly safeguard long-term value creation and demonstrate Axis-REIT's commitment to integrity, sustainability, and operational excellence.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Managing Our Supply Chain

The Property Management Team plays a primary role in ensuring that our supply chain operates responsibly, ethically, and sustainably. Their work is guided by established frameworks and policies that safeguard against risks while fostering opportunities for continuous improvement and collaboration.

Supplier Code of Conduct

We require all suppliers and service providers to comply with our Supplier Code of Conduct, which sets clear standards on ethics, integrity, labour practices, human rights, health and safety, and environmental sustainability. The Code is publicly available and includes whistle-blowing channels to report non-compliance or unethical practices, reinforcing transparency and accountability. Our Property Management Team, including the HSSE Manager, regularly engage with suppliers to ensure alignment on service quality, operational issues, and sustainability objectives.

HSE Policy

Our HSE Policy commits us to maintaining safe working practices and environments that protect employees, contractors, tenants, and communities. It mandates preventive measures against work-related incidents, property damage, and environmental harm, while also requiring compliance with all applicable standards and codes. This policy underpins our commitment to operational excellence and sustainable practices.

Metrics and Targets

Since incorporating our Supplier Code of Conduct into the supplier evaluation process in 2021, we have regularly reviewed and enhanced our vendor pre-qualification and evaluation processes to ensure we engage and retain reputable and reliable suppliers. This has significantly improved the efficiency and resilience of our supply chain by establishing governance standards for supplier selection and evaluation.

We are pleased to report that all AElS, development, and maintenance projects were successfully completed on schedule. These accomplishments reflect the success of our ongoing efforts in maintaining an efficient, ethical, and compliant supply chain.

Supplier Statistics

As part of the supplier evaluation process in 2025, the Property Management Team evaluated 224 suppliers on Axis-REIT's panel, which are 100% local companies. Following this evaluation, five suppliers were removed from the panel due to material changes to their corporate structure. During the year, we also admitted 12 new suppliers to our panel.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Supplier Statistics	FYE2025	FYE2024	FYE2023
No. of suppliers subjected to annual evaluation	212	207	191
No. of new suppliers subjected to pre-qualification assessment	12	7	20
No. of suspended suppliers	0	0	0
No. of de-listed suppliers	5	2	4

Annual Procurement: Local Suppliers

The Property Management Team procured RM38.7 million in goods and services (excluding government related expenses) for Axis-REIT in 2025, compared to RM72.7 million in 2024. The decrease was due to higher expenses incurred in 2024 arising from development projects undertaken during that year. In line with our commitment to engage local suppliers where possible, we are pleased to report that all procurements in the last three financial years were transacted with local suppliers.

Total Procurement Spent on Local Suppliers (RM million)	
2025	38.7
2024	72.7
2023	196.2

Supplier Training

As part of our commitment to facilitate continuous process improvements, we conduct supplier training courses that focus on Axis-REIT's HSE Policy. The number of programmes that we offer every year depends on the number of active AEs, developments, and maintenance projects. In 2025, we held a total of 28 training programmes that drew 695 attendees from our suppliers and service providers, including housekeeping staff.

Supplier Training Courses		
Year	Total number of training programmes offered to suppliers	Total number of attendees
2025	28	695
2024	32	592
2023	48	884

Screening and Audit of Suppliers against ESG Criteria

In 2025, we continued assessing compliance of suppliers and service providers with our Onsite Vendor Assessment Checklist. The Property Management Team conducted ESG audits on six of our key suppliers and service providers. These audits aimed to identify if there were any potential ESG-related risks within their operations and to develop suitable

mitigation plans, if necessary. The audit covered areas of concern based on our Supplier Code of Conduct, HSE Policy, and Environmental Policy, including labour standards and human rights, health and safety, quality standards, and the environment. We are pleased to report that the audits conducted in 2025 did not identify any instances of non-compliance with our policies and standards.



Target:

To ensure zero cases of ESG non-compliance by contractors (including human rights and labour assessments) through ad-hoc site visits and audits.

Outlook

In 2026, we will continue working closely with our suppliers and service providers to strengthen our supply chain management practices. We will focus on ensuring adherence to our Supplier Code of Conduct through pre-qualification assessments, annual evaluations, and regular site audits. We also plan to engage an independent auditor to review our assessment of material suppliers from 2026 onwards.

We remain committed to safeguarding human rights among key registered vendors and will continue to document and address any instances of non-compliance. These measures will ensure that our ESG values and commitments are consistently upheld across the supply chain.

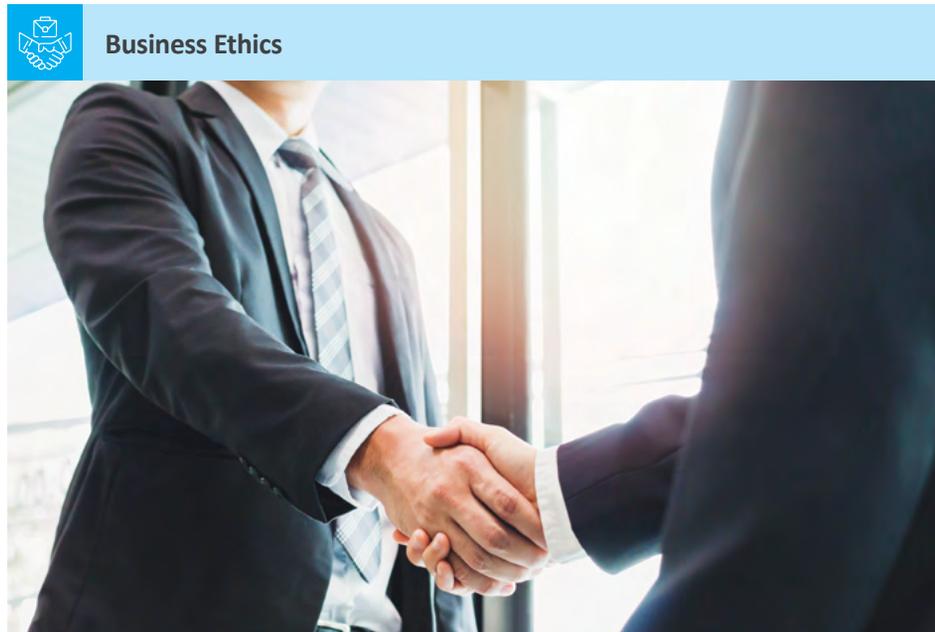
To support this, we will continue to organise training programmes and workshops designed to strengthen understanding and implementation of key ESG principles among suppliers and service providers. This approach will reinforce our sustainability and ethical practices while fostering stronger, more collaborative relationships with our partners.

In 2026, we will also explore the use of the Bursa Malaysia Centralised Sustainability Intelligence (CSI) Platform to estimate supplier emissions using its internationally recognised methodology. This will provide a clearer measure of supplier-related emissions and contribute to more thorough Scope 3 GHG reporting.

Through these efforts, we aim to build a supply chain that is resilient, transparent, and responsible, positioning the Fund to advance its long-term sustainability objectives and deliver value to stakeholders.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

GOVERNANCE



Capitals

Social & Relationship

Strategic Pillars

- Investment
- Development
- Facilities Management
- Real Estate
- Capital Management
- Governance

Business Risks

- Human Resource
- Global
- Investment

UN SDGs



Description of Risks Related to Business Ethics

Managing the Fund involves navigating ethical and compliance considerations. Although the regulatory environment is complex, our robust governance framework and commitment to integrity ensure that risks — including anti corruption, statutory compliance, and climate related obligations — are carefully monitored and addressed. Upholding high standards of business ethics across strategic planning, investment decisions, and daily operations is central to protecting the Fund’s reputation, strengthening stakeholder trust, and supporting its long-term sustainability.

Key risks related to business ethics include:

- ➔ **Breach of anti-corruption laws:** Violation could result in serious corporate and personal liabilities for the Manager, its directors and employees.
- ➔ **Regulatory and policy pressures on climate change:** Not meeting increasing climate-related requirements applicable to existing buildings, property acquisitions, and property development may expose the Fund to compliance risks.

- ➔ **Non compliance with statutory and listing obligations:** Failure to adhere to statutory laws, MMLR, accounting standards, taxation rules, Shariah principles, and other REIT-specific regulations could lead to reputational damage.

At the same time, a proactive approach to ethics and compliance creates significant opportunities. By demonstrating integrity and transparency, the Fund attracts ESG-focused investors, strengthens tenant loyalty, and differentiates itself in a competitive market.

Effects on Business Model and Value Chain

The risks outlined above do not exist in isolation; they have direct implications across the Fund’s entire value chain. Understanding how ethical challenges manifest upstream, within core operations, and downstream is essential to managing their impact on our business model.

Upstream
(Capital Raising and Property Acquisition)

- ➔ Unethical fundraising practices such as misrepresentation of information, lack of financial transparency, or non-disclosure of conflicts of interest, can erode investor confidence and damage the REIT’s credibility. Similarly, property acquisition risks like bribery in land deals, ignoring zoning or environmental regulations, or purchasing properties with questionable ownership, can expose the REIT to lawsuits, regulatory scrutiny, and reputational harm.

Core Operations
(Asset Management and Governance)

- ➔ Fraud, conflicts of interest, or weak governance practices undermine transparency and investor confidence, while neglect of safety standards compromises ethical management of the portfolio. Supplier corruption, such as bribery or inflated invoicing, further erodes integrity and increases costs.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Downstream (Tenants and Investors)

- Issues in property maintenance, hidden fees, bribery, or improper eviction practices may erode tenant trust and reduce occupancy, while misleading financial reporting or deceptive business practices could undermine investor confidence. Scandals around governance or social impact also damage market reputation, especially as ESG-conscious tenants and investors increasingly demand ethical REITs.

Effects on Strategy and Decision-Making

Recognising the impact business ethics risks pose across the value chain, we integrate ethical considerations directly into our strategic planning and decision-making processes. To safeguard stakeholder interests, we continuously monitor and regularly assess the business practices and governance frameworks that guide the Fund. We stay informed about developments in political, economic, and business landscapes, paying close attention to emerging factors such as workplace cultural shifts, digital trends, geopolitics, heightened data safety and security requirements, and climate change risks. These efforts protect the Fund's institutional integrity and align with our goal of establishing an agile and resilient organisation.

The Board plays a crucial role in providing exemplary leadership and governance, ensuring transparency, accountability, and responsibility in steering the strategic direction of Axis-REIT. The Board, guided by the Board Charter outlining the Manager's key principles and ethical guidelines, ensures the effective and accountable execution of its duties. Additionally, the Board oversees key policies that guide Axis-REIT, including the Code of Conduct, Whistle-Blowing Policy, and ACF Policy.

At both management and operational levels, the Manager adheres to a comprehensive Code of Conduct. This framework reflects

our commitment to maintaining the highest standards of integrity, extending to all employees representing the Manager and Axis-REIT. It includes guidelines for managing conflicts of interest, maintaining privacy and confidentiality, handling gifts and entertainment, and upholding professional behavioural standards. New employees undergo an induction programme facilitated by the Human Resource Department, which includes a review of the Code of Conduct and other essential policies.

In addition to the Board Charter and the Code of Conduct, the Manager's Whistle-Blowing Policy and ACF Policy provide clear avenues for employees, Directors, suppliers, and tenants to report any misconduct, criminal offences, or malpractices. These policies comply with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act 2009) and commit the Manager to act professionally, fairly, and with integrity in all business dealings, consistently upholding the law across our supply chain. We communicate these policies to our supply chain through our Supplier Code of Conduct and include compliance checks as part of our annual supplier evaluation process.

We conducted several notable initiatives in 2025 to reinforce the implementation of ethical business practices throughout our organisation, as summarised in the table below:

Initiatives	Description
Annual review of the ACF Policy	<ul style="list-style-type: none"> The Board undertook its annual review of the ACF Policy to ensure that it remains relevant and up to date. There was no change made to the ACF Policy in 2025.
Enhancing anti-bribery awareness and obligations among Directors and employees of the Manager	<ul style="list-style-type: none"> The Board, through its annual review of the ACF Policy, also refreshed their knowledge and understanding of the Policy. Online refresher training courses on anti-bribery awareness were conducted for all existing employees in December 2025. A new requirement obliges new recruits to declare their understanding and compliance with the Code of Conduct on their completion of the induction programme.
Enhanced screening for managerial candidates	<ul style="list-style-type: none"> Enhanced due diligence/background checks are compulsory for candidates seeking managerial positions in the Manager, by screening them against MACC's Corruption Offender Database. This aims to ensure our managerial hires have clean track records.
Assessment of corruption risks in the operations of the organisation	<ul style="list-style-type: none"> An internal audit to test the operational controls against corruption risks was conducted on the Investments Department in May 2025.
Undertaking KYC assessments to prevent money laundering activities	<ul style="list-style-type: none"> KYC assessments from an anti-money laundering perspective were integrated into the property divestment due diligence processes.
Enhanced due diligence assessments on potential vendors and tenants to identify risks which may include money laundering risks	<ul style="list-style-type: none"> All potential vendors and tenants are subject to enhanced due diligence assessments, including financial and background checks as well as market/industry reviews, to identify risks which may include money laundering risks.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

In FYE2025, Axis-REIT incurred routine compliance-related costs, including governance audits, regulatory reporting, and training programmes on anti-corruption and ethical conduct. These expenses are considered essential for maintaining adherence to MMLR, statutory obligations, accounting standards, taxation rules, Shariah compliance, and applicable REIT regulations. During the year, no financial losses were recorded due to breaches of anti-corruption laws or regulatory non-compliance.

Anticipated Financial Effects

If risks materialise, potential financial impacts could include:

- **Legal and regulatory penalties** for breaches of anti-corruption laws or non-compliance with statutory obligations.
- **Reputational damage**, which could indirectly affect investor confidence and access to capital.
- **Operational disruptions** and potential delays in property transactions or development approvals due to regulatory scrutiny.

These impacts could result in financial liabilities and undermine Axis-REIT's ability to deliver sustainable returns.

Resilience of Our Strategy and Business Model Regarding Risks Arising from Business Ethics

The Fund's strategy and business model have demonstrated strong resilience against risks related to business ethics. Through continual reviews and enhancements to our processes and policies, supported by the steadfast commitment of the Board, Senior Management, and employees, we have maintained a culture of integrity and compliance. This resilience was evident throughout 2025, with no incidents of misconduct, compliance breaches, or whistleblowing reports recorded. As a result, no remedial action was required, underscoring the effectiveness of our governance framework

and ethical safeguards in protecting long-term stability and trust.

Processes, Controls, and Policies to Manage Risks and Opportunities Related to Business Ethics

The Compliance Team supports the CEO in overseeing all ethics and governance matters, ensuring adherence to relevant policies and procedures. Working in consultation with pertinent experts, the Compliance Team proposes revisions to the Manager's corporate policies and procedures for the Board's consideration and approval. This collaborative approach ensures that our governance framework remains robust, relevant, and effective in fostering an ethical organisational culture.



The Code of Conduct, Whistle-Blowing Policy, and the ACF Policy are publicly available and can be accessed at www.axis-reit.com.my/investor/corporate_governance.php.

Whistle-Blowing Policy

Pertains to the handling of all reports of improprieties involving the business, operations, or employees. Defines how all concerns raised are to be treated fairly, and for the anonymity of the whistleblower to be protected. When the issue warrants further investigation, the Manager will carry out the necessary inquiries and corrective measures.

The Policy is designed to:

- Clearly define the procedures that provide a secure avenue for whistleblowing, including the detailed reporting procedures, documentation, and investigation process.
- Support the Manager's values and maintain a high standard of integrity and accountability.
- Ensure stakeholders can raise concerns without fear of reprisal.
- Provide a clear and confidential process for dealing with concerns raised, including incidents related to human rights and malpractices.

- Facilitate the development of preventative measures to avoid any recurrences of improprieties and malpractices.

The Manager protects whistleblowers against retaliation as long as the report was made in good faith and even if the matter raised proves to be a mistake. However, this protection does not extend to individuals who knowingly make false claims.

Axis-REIT has a designated email address for whistleblowing, i.e., integrity@axis-reit.com.my. Messages to this email address are directed to the Independent Non-Executive Directors of the Manager as recipients, providing a secure whistleblowing channel for genuine reports to be lodged. The Manager will enhance and promote the accessibility of whistle-blowing channels to ensure employees and third parties can report any suspected corruption or bribery incidents anonymously and without fear of retaliation.

At each of its quarterly meetings, the Board made enquiry with the CEO and Independent Directors on whether any reports/complaints/grievances were received via the designated email address. This enables the Board to closely monitor improprieties, whether within the organisation or externally, such as via the supply chain.

ACF Policy

Axis-REIT has adopted a zero-tolerance policy against all forms of bribery and corruption.

The Policy serves as a guideline in recognising and managing any incidents of bribery or corruption in the daily business and operations of the Manager. Defines bribery, corruption, conflict of interest, and the acceptable limits in relation to gifts, corporate hospitality, and entertainment.

The Policy is designed to:

- Clearly define bribery and corruption, as well as actions that are classified as offences by law.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- ➔ Provide guidance on preventing bribery and corruption throughout the organisation, its related parties, and agents/contractors acting on behalf of the Manager.
- ➔ Support the Manager's values and maintain a high standard of integrity and accountability.
- ➔ Communicated extensively through various channels (including our website, training sessions, and induction programmes).

Employees and third parties are encouraged to actively detect and prevent bribery and corruption. It is their responsibility, when acting for or on behalf of Axis-REIT, to report any incidents of bribery or corruption that they become aware of. Any charitable contribution, sponsorships, and CSR activities are reviewed by the CEO and approved by the Executive Committee of the Manager before being recommended to the Board and Trustee for final approval.

The Head of Compliance is the focal point for enquiries relating to the ACF Policy, and where necessary, professional legal advice will be sought.

The Whistle-Blowing and ACF Policies are continually reviewed and updated to ensure they are relevant, current, and aligned with applicable laws, as well as the prevailing political, economic, and business landscape.

Metrics and Targets

Key Performance Indicator	2025	2024	2023
Number of compliance breaches or misconduct	0	0	0
Number of whistleblowing reports or complaints received	0	0	0
Percentage of operations assessed for corruption-related risks	60%	40%	20%

Percentage of Employees Who Attended Anti-Corruption-related Training by Employee Category*			
	2025	2024	2023
Senior Management	100%	100%	100%
Middle Management	100%	100%	100%
Executive	100%	100%	100%
Non-Executive	100%	100%	100%

* Does not include employees who were on sabbatical, hospitalisation, or maternity leave when the training was conducted.

Outlook

We remain committed to ensuring that our internal operations consistently adhere to ethical business practices, with all processes and policies aligned with the MACC Act 2009. To maintain this standard, we will continue to review and update our Code of Conduct, ACF Policy, and Whistle-Blowing Policy on a regular basis.

In efforts to strengthen our governance framework, the Investments and Leasing Teams have been designated to conduct due diligence during the onboarding of potential tenants and vendors involved in investment activities. These measures are designed to minimise the risk of association with high-risk parties, such as those engaged in illegal, criminal, or money-laundering activities. In addition, we will continue applying established KYC assessments to potential divestment activities, ensuring transparency and accountability across transactions.

Since 2023, corruption risks have been assessed through internal audits of key departments, including Facilities Management, Project Management, and Investments. Building on this foundation, we plan to extend internal audit to the Finance Department in 2026, further strengthening oversight across all critical functions.

We will continue to educate employees and third parties on the importance of business ethics through ongoing training sessions focused on ethical conduct, compliance, and the proper channels for reporting unethical behaviour. In addition, we plan to explore the introduction of integrity training for employees in 2026, with the aim of equipping them with the capabilities to uphold ethical standards in their daily responsibilities.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Cybersecurity & Data Protection



Capitals

Intellectual

Strategic Pillars

Governance

Business Risks

Human Resource

Information Technology

UN SDGs

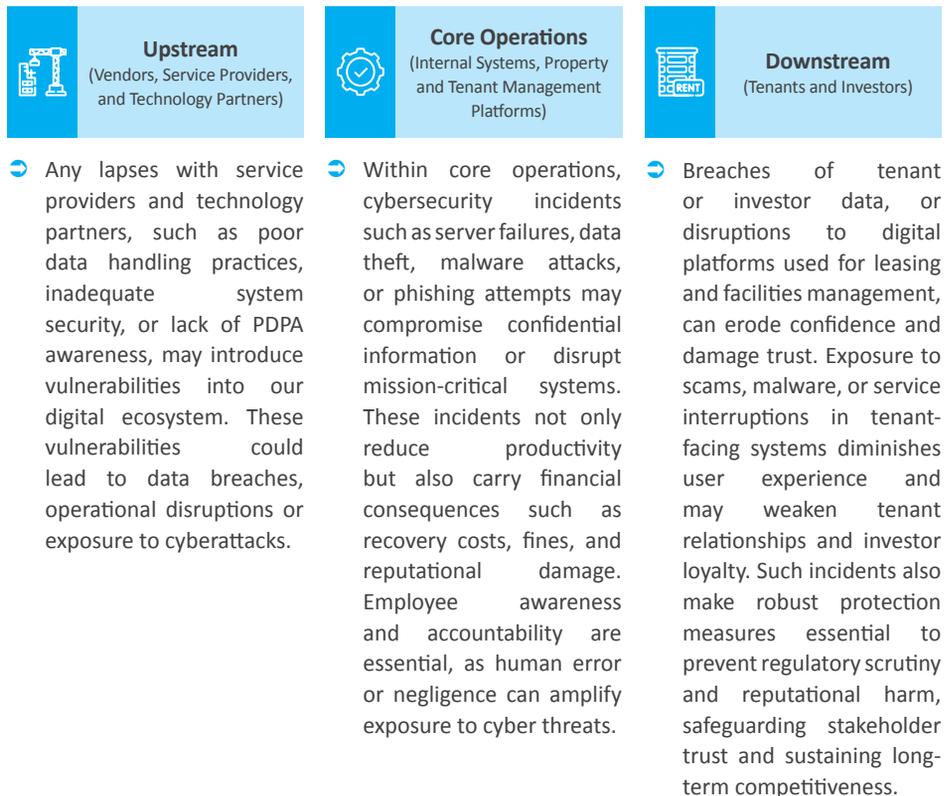


Description of Risks Related to Cybersecurity & Data Protection

We continue to leverage technology across our operations to improve efficiency, enhance productivity, and respond to evolving consumer behaviours and expectations. As we advance our digital capabilities by leveraging cloud storage and digitalising our business operations, managing sensitive business information requires careful attention to both data protection and regulatory compliance. In this context, we recognise several key risks. These include potential ignorance or non-compliance with the PDPA, as well as possible threats such as data loss, theft, server failures, virus infections, cyber incidents, exposure to malware, and scams. The Manager addresses these challenges with a commitment to fostering a culture of awareness, accountability, and vigilance, ensuring that information is safeguarded, and stakeholder trust is maintained.

Effects on Business Model and Value Chain

Cybersecurity risks have implications across our entire business model and value chain, affecting upstream partners, core operations, and downstream stakeholders.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

Given the risks identified across our value chain, cybersecurity has become a central consideration in shaping our strategy and decision-making processes. The Manager prioritises protecting the information of tenants, investors, and employees through proactive monitoring of emerging threats to ensure business continuity and safeguard stakeholder trust.

To mitigate risks, we continually strengthen our cybersecurity capabilities, maintaining up-to-date and fit-for-purpose IT infrastructure. We also adopt subscription-based solutions that combine next-generation antivirus, endpoint detection and response (EDR), managed threat hunting, integrated threat intelligence, and IT hygiene practices. The EDR software, monitored by our outsourced IT service provider, provides real-time protection against malicious activities, ensuring resilience against evolving threats.

Strategic resilience is further supported through our annual IT Disaster Recovery Exercises, which test the effectiveness of recovery plans and familiarise employees with technical procedures. The successful completion of the 2025 exercise, documented in the IT Disaster Recovery Test Report presented to the Directors, demonstrated our preparedness to manage disruptions.

The Manager takes data protection seriously, as any potential non-compliance could have detrimental implications to the Fund. In ensuring compliance with the PDPA, the Manager publishes the Privacy Notice (which encompasses personal data protection principles stipulated under the PDPA) in both English and Malay on Axis-REIT's corporate website. The Manager also has a designated email address (pdpa@axis-reit.com.my) indicated on the Privacy Notice, where requests for data access, correction, and limitation of use can be sent.

The Manager ensures our Directors and employees participate in training and awareness programmes to strengthen their knowledge and awareness of cyber risks. We also inform our Directors of the latest cybersecurity news and developments, including timely updates on the "Advisory on Cyber Vigilance and Technology Resilience" issued by the SC from time to time. This year, the Company Secretary circulated the "Cybersecurity Considerations 2025 Report" by KPMG International to all the Directors, providing them with insights on the current state of cybersecurity and offering actionable strategies.

Initiatives undertaken in 2025:

- Undertook and completed the annual IT Disaster Recovery Exercise in September 2025.



- Conducted the annual IT audit in August 2025 on technology service provider management to review service level agreements with the out-sourced IT service provider and confirm processes are in place to assess the capabilities of the said IT service provider.
- Incorporated multi-factor authentication for Microsoft 365 for employees to access corporate emails. This helped mitigate risks of unauthorised access and data breaches.

- Updates were made to the Technology Risk Management Framework (TRM Framework), IT Guidelines and the Cyber Risk Policy and Procedures to better align these policies with the relevant requirements under the SC's Guidelines on Technology Risk Management (TRM Guidelines). This followed recommendations made by the Internal Auditors via the internal audit conducted in December 2024.

The IT service provider guided the recovery exercise. It involved the simulation of an IT disaster, where information and communication technology facilities in the main office of the Manager were made unavailable, while a recovery exercise was conducted at an off-site disaster recovery location designated by the Manager. The exercise was implemented to test the effectiveness of the Manager's IT recovery plan and to enable employees to familiarise themselves with technical recovery procedures. The exercise was completed successfully with all pre-defined objectives met. The IT Disaster Recovery Test Report 2025, prepared by our outsourced IT service provider, was presented to the Board in October 2025.

Financial Effects

Current Financial Effects

Current financial impacts are limited to routine spending on IT systems, cybersecurity monitoring tools, data protection processes, and employee training. No major financial losses from cybersecurity incidents have been reported.

Anticipated Financial Effects

Future financial impacts may arise from strengthening cybersecurity requirements, including enhanced digital infrastructure, regular system testing, penetration assessments, upgraded data protection software, and continued staff training. Non-compliance with PDPA or a major cyber incident may result in fines, remediation costs, or reputational impacts.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Resilience of Our Strategy and Business Model in Relation to Risks Related to Cybersecurity & Data Protection

We have demonstrated resilience in managing cybersecurity and data protection risks through proactive governance, robust controls, and a culture of compliance. As a result, we have successfully maintained zero cybersecurity breaches and incurred no fines or penalties under the PDPA. This track record underscores the effectiveness of our approach in safeguarding sensitive information, protecting stakeholder trust, and ensuring business continuity.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Cybersecurity & Data Protection

Axis-REIT’s cybersecurity risks are managed in accordance with the Manager’s existing Cyber Risk Policy & Procedures. This Policy was revised in April 2025 to expand the existing backup mechanism employed by the Manager to include Hyper V – Replica, a solution integral to the IT disaster recovery process. This complements the Manager’s IT Guidelines, which prescribe the management and handling of confidential information. It also ensures business continuity through the prevention of unauthorised access, use, and disclosure of highly sensitive information. The IT Guidelines were also updated in April 2025 to incorporate multifactor authentication as an additional security control to access cloud data stored in Microsoft 365.

As a requirement of the TRM Guidelines, the Board formulated and approved our TRM Framework in July 2024. The framework includes technology risk management, technology operations management, technology service provider management, and cybersecurity management. The TRM Framework was also updated in April 2025 based on the Internal Auditors’ recommendation following the audit concluded in December 2024.

The amendments include the clarification made to reflect the specific processes adopted by the Manager in managing technology risks, incorporation of a statement on risk tolerance/appetite pursuant to the Internal Auditor’s recommendation, and an addition of a new section on technology service provider management.

Metrics and Targets

We endeavour to maintain zero cybersecurity breaches through our efforts in cybersecurity and data protection. This prevents the disruption of business workflows that rely heavily on data, and reduces any downtime and associated costs of data and network restoration.

 **Target:**
Zero cybersecurity breaches.

Key Performance Indicator	2025	2024	2023
Number of cybersecurity breaches	0	0	0
Incidents of substantiated complaints concerning breaches of privacy and loss of personal data	0	0	0

Outlook

We actively manage cybersecurity risks by maintaining a comprehensive framework to monitor, assess, and respond to potential cyber-attacks. Periodic reviews are conducted to ensure the framework remains aligned with the latest technologies and industry practices. In addition, we safeguard sensitive information by continuously monitoring compliance with the PDPA across all employees.

Looking ahead, we will continue conducting annual technology audits to ensure that information systems comply with regulatory requirements and industry guidelines. We will also safeguard data and information maintained in our IT systems with appropriate levels of confidentiality and integrity, while ensuring that IT service operations are effectively managed. Annual IT disaster recovery exercises will remain a key component of our preparedness, enabling us to respond effectively to unexpected incidents and recover with minimal downtime.

In 2026, we plan to strengthen our cybersecurity measures with several new initiatives. These include ensuring 100% completion of cybersecurity-related training modules for all relevant employees, reinforcing awareness and accountability across the organisation. We will also begin reporting on the volume of traffic blocked by the firewall, providing greater transparency into the effectiveness of our defensive measures.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

ENVIRONMENTAL



Energy & Carbon Footprint



Capitals


Natural

Strategic Pillars


Facilities Management


Development

Business Risks


Environmental

UN SDGs



7
AFFORDABLE AND CLEAN ENERGY



9
INDUSTRY, INNOVATION AND INFRASTRUCTURE



13
CLIMATE ACTION

Description of Risks Related to Energy and Carbon Footprint

Effective energy and carbon management remain critical priorities in managing Axis-REIT’s property portfolio, particularly in light of the growing impacts of climate change. The Manager acknowledges that climate-related risks — such as rising temperatures, extreme weather events, and regulatory shifts on carbon pricing — can significantly influence operational costs and asset resilience. In response, our holistic approach to energy and carbon management focuses on optimising energy consumption, reducing GHG emissions, and minimising the Fund’s environmental footprint. These efforts are aligned with our sustainability commitments and long-term value creation goals, ensuring that Axis-REIT remains resilient and competitive in a low-carbon economy.

Physical risks such as extreme storms, flooding, rising temperatures, water stress, and sea-level rise may disrupt operations and damage assets. Transition risks include direct and indirect effects of carbon pricing, such as rising costs of carbon-intensive building materials and utilities, as well as increased electricity

consumption in multi-tenanted buildings. These factors contribute to higher GHG emissions, exacerbating global warming and climate change.

Effects on Business Model and Value Chain

Climate-related risks linked to energy and carbon footprint impact our value chain in the following ways:

<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p>Upstream (Property Acquisition or Development)</p> </div> <ul style="list-style-type: none"> ➔ Rising costs of carbon-intensive materials such as steel and cement, coupled with potential carbon taxes, may increase acquisition and refurbishment costs. 	<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p>Property Operations (Asset Management)</p> </div> <ul style="list-style-type: none"> ➔ Multi-tenanted buildings face higher electricity consumption, contributing to Scope 2 emissions and increased operating costs. Extreme weather events, such as storms and flooding, may disrupt maintenance schedules and require additional investment in resilient measures. 	<div style="background-color: #92d050; color: white; padding: 10px; margin-bottom: 10px;">  <p>Downstream (Environmental Impact and Stakeholder Expectations)</p> </div> <ul style="list-style-type: none"> ➔ Tenants and stakeholders increasingly demand sustainable properties with lower carbon footprints. Failure to meet these expectations could result in reputational risk and reduced competitiveness.
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Without proactive measures, these risks could lead to higher costs, operational disruptions, and reputational harm. The Manager’s integrated approach — embedding sustainability in acquisitions, operations, and tenant engagement — ensures alignment with global climate objectives and supports long-term portfolio resilience.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

The Manager recognises that climate-related risks have a direct bearing on Axis-REIT’s long-term resilience and performance. In response, we have progressively embedded climate considerations into our strategic planning and operational decision-making processes, including identifying transition and physical risks, assessing their potential impacts, and integrating appropriate mitigation measures across our portfolio.

A key part of this strategic approach is our Carbon Neutrality by 2050 Roadmap, which outlines the pathways through which we aim to lower emissions over time and enhance the sustainability performance of Axis-REIT’s properties.

We prioritise our energy and carbon footprint management initiatives, especially during AEs and developments, to increase the energy efficiency of our properties. We also undertake regular preventive maintenance programmes and ensure responsible energy usage through the implementation of energy reduction targets based on annual consumption patterns. We have introduced quantifiable energy efficiency KPIs and undertaken independent third-party assurance to verify the accuracy of our disclosures. Ongoing efforts also include working with tenants to explore the feasibility of installing solar panels at suitable properties.

In 2025, we strengthened our ESG performance by securing an additional green building certification for Axis Facility @ Batu Kawan, an existing property within our portfolio.

The following table summarises our energy and carbon management strategies for development projects and major AEs:

	Artificial Lighting Use of energy-efficient lighting to minimise energy consumption required for lighting, while maintaining proper lighting levels
	Building Envelope Design Optimising building orientation and window to wall ratios to reduce heat transmission and reduce energy consumption required for mechanical ventilation
	Daylighting Optimising the use of natural sunlight by incorporating windows, reducing the need for artificial lighting
	Ventilation in Common Areas Including window openings in common areas (i.e. staircases and toilets) to reduce the need for mechanical ventilation, which in turn reduces energy consumption
	Carbon Emissions Calculating and monitoring operational carbon footprint and emissions based on the building’s energy and water consumption data
	Energy Efficiency Improvement Plans Implementing energy efficiency improvement plans and regularly reviewing their outcomes to achieve energy reduction targets
	PV-Ready Roof Installation of roofs that allow physical access and design loads that are suitable for future solar photovoltaic (PV) panel installations

Our property management operations have integrated sustainability initiatives to enhance the existing portfolio’s energy efficiency and reduce its energy and carbon footprint. These initiatives aim to lower both Scope 1 and Scope 2 GHG emissions from our property management operations and include:

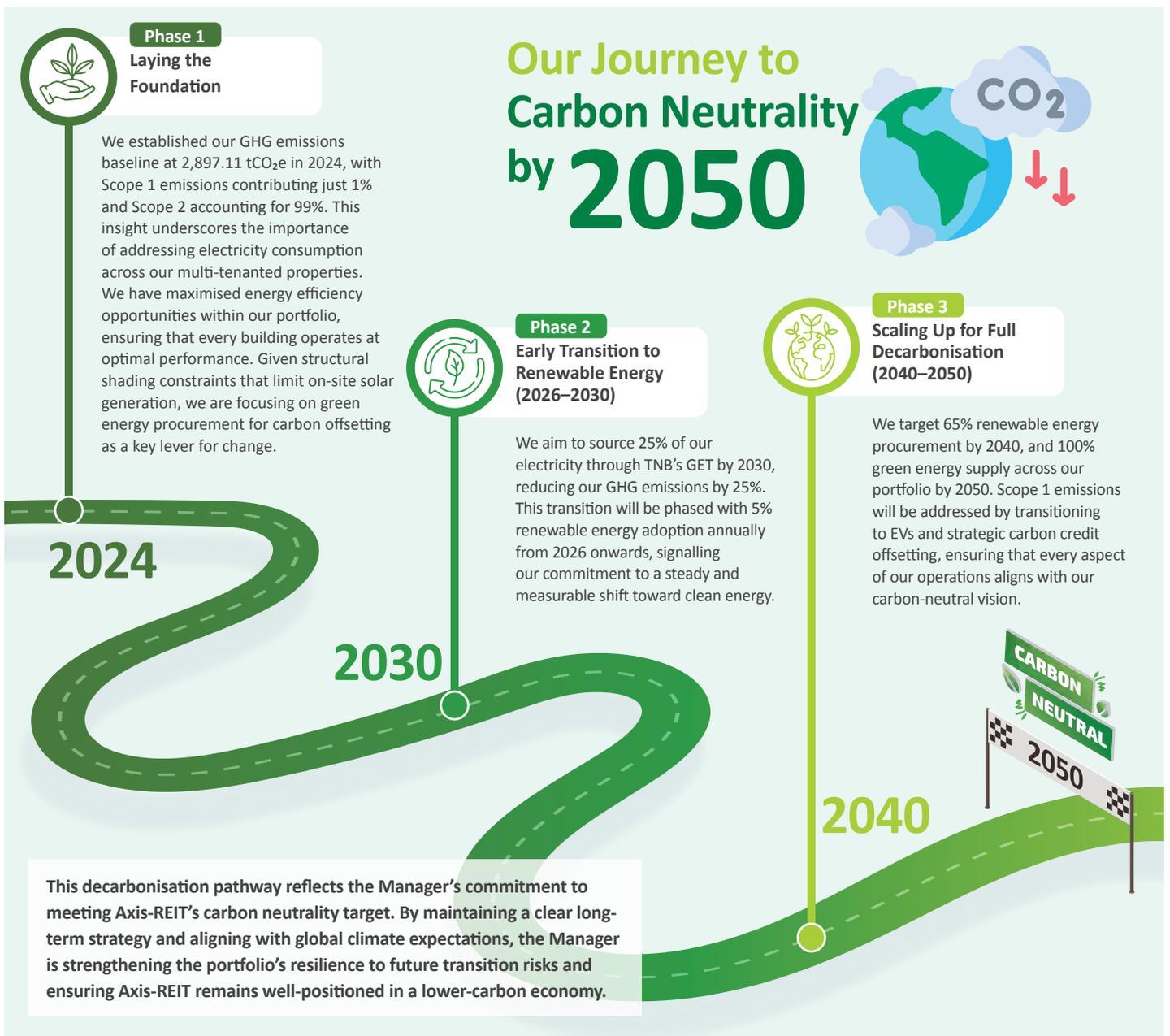
- Replacing conventional lighting in common areas of multi-tenanted properties with energy-efficient lighting fitted with motion sensors. This is an ongoing initiative undertaken as part of regular AEs.
- Replacing conventional lighting with energy-efficient lighting as part of refurbishment projects at selected single-tenanted properties, where possible.
- Checking, testing, and calibrating all MEP systems at regular intervals to ensure equipment and systems are operating efficiently.
- Leasing roof space for PV panel installation. As at 31 December 2025, 529,489 sq. ft. of roof space across the portfolio had been leased to tenants that are involved in harvesting solar energy and selling it back to the national electricity grid. Additionally, our tenants at two single-tenanted properties have also installed PV panels on the buildings’ roofs to offset their electricity consumption.
- Maintaining Tenaga Nasional Berhad (TNB) smart meters at all of our properties, covering 100% of our property portfolio.
- Installation of EV charging stations at Menara Axis, while also facilitating the installation of EV charging stations by tenants at selected multi-tenanted buildings.
- Using low ozone depletion and low global warming potential refrigerant gas for our air-conditioning systems. This complies with the recommendations of the Montreal Protocol on Substances that Deplete the Ozone Layer. Moving forward, we are exploring the procurement of green-certified refrigerant gas for our air-conditioning systems.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

- Obtained energy data from tenants representing 88% of the total NLA to improve our Scope 3 reporting, strengthen our monitoring of energy performance of our portfolio, and potentially identify efficiency opportunities in the future.
- Upskilled the Facilities Management Team through targeted capacity-building initiatives, including a workshop on ESG Awareness for Building Management Operations, to strengthen their understanding of sustainability practices and enhance day-to-day implementation.

Axis-REIT’s Decarbonisation Roadmap – Our Journey to Carbon Neutrality by 2050

We recognise that climate change is one of the defining challenges of our time, and we are committed to playing our part in shaping a low-carbon future. As a leading REIT, our responsibility extends beyond delivering financial returns; we must also ensure that our portfolio remains resilient, sustainable, and aligned with global climate goals. To achieve this, we have charted a clear and actionable decarbonisation roadmap, targeting carbon neutrality by 2050.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

Current impacts are moderate, evidenced by incremental utility costs and minor adjustments in maintenance budgets for climate adaptation. These costs are considered essential preventive measures and are accounted for within operational expenditure.

We are pleased to note that the Fund did not incur any fines or penalties for non-compliance with environmental laws or regulations in 2025. We also did not identify any areas or instances of non-compliance with environmental laws or regulations.

Anticipated Financial Effects

Climate-related risks and the transition to a low-carbon economy are expected to influence Axis-REIT's financial profile over the medium to long-term. Potential impacts may include:

- ➔ **Higher Operating Costs:** Rising electricity tariffs and carbon pricing may increase expenses, particularly for multi-tenanted properties with high energy demand.
- ➔ **Capital Expenditure for Resilience:** Investments in climate adaptation measures, such as flood-proofing and structural reinforcements, may be required to address physical risks like extreme storms and flooding.

Decarbonisation Roadmap Investments:

Axis-REIT anticipates incremental spending to achieve carbon neutrality by 2050, including:

- **Energy Efficiency Enhancements:** Initial investments have been made to maximise energy efficiency across the portfolio.
- **Green Energy Procurement:** From 2026 onwards, Axis-REIT plans to progressively procure renewable electricity through TNB GET. The renewable energy share is expected to increase gradually, reaching 25% by 2030, 65% by 2040, and 100% by 2050.

Under the current GET structure, green electricity will be procured at a premium of approximately 3-5 sen/kWh on top of prevailing electricity tariffs. Therefore we will be expecting an annual increment of electricity costs by approximately 0.25%* to 0.5%* from 2026 to 2030 relative to the current baseline.

* This annual increment is calculated based on the application of a 3-5 sen/kWh green premium while the underlying electricity tariff remains unchanged.

Climate Resilience

Following the identification of climate-related risks and opportunities in 2024, the Fund strengthened its climate risk management approach by conducting a structured climate scenario analysis for both medium-term (up until 2030) and long-term (up until 2050) timeframes. This exercise was designed to evaluate both physical risks and transition risks, in line with IFRS S2 disclosure expectations.

The assessment was guided by internationally recognised climate scenarios, a hybrid approach that integrated the Intergovernmental Panel on Climate Change (IPCC) scenarios for physical risk assessment and the Network for Greening the Financial System (NGFS) scenarios for transition risk evaluation. This dual framework approach ensures comprehensive coverage of potential climate pathways and enhances the robustness of our analysis. We incorporated publicly available datasets and sectoral insights to enrich the scenario narratives and provide greater granularity in assessing potential impacts, thereby improving transparency and supporting better decision-making. This approach enables us to better understand the resilience of our strategy under different climate futures and to identify areas requiring adaptation or mitigation measures.

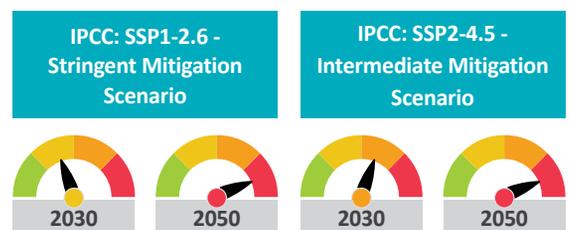
Below, we outline the key findings of the exercise, including the potential financial and operational implications under each scenario.

● Low ● Moderate ● High ● Extremely High

Physical Risk: Extreme weather events (Acute)

Potential Impact

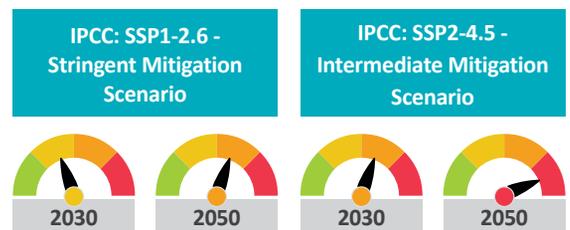
The growing intensity of climate-related events may result in higher repair needs and expenses, causing a decline in property values and increased financial losses. Such damage could also interfere with tenants' business operations, potentially leading to vacancies or a drop in rental income.



Physical Risk: Changes in climate patterns (Chronic)

Potential Impact

Shifts in climate patterns may lead to reduced resource availability, prompting tenants to opt for buildings with stronger sustainability credentials. This could necessitate retrofitting existing assets to enhance operational efficiency and align with evolving tenant expectations. Furthermore, rising sea levels may pose risks to properties located in flood-prone areas, potentially resulting in asset devaluation.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Transition Risk Regulatory requirements

Potential Impact

Axis-REIT may face higher costs from ESG and regulatory pressures that require retrofitting, development delays, and stricter financing terms. Non-compliant properties face a risk of devaluation and reduced tenant demand, while poor due diligence could lead to underperforming property acquisitions. These factors could collectively impact financial returns and operational resilience.

Transition Risk Carbon pricing

Potential Impact

The implementation of carbon tax may drive up material costs and necessitate the sourcing of low-carbon alternatives, potentially affecting project feasibility and leading to higher operating expenses, reduced profit margins, and construction delays. Additionally, cost-push inflation from increased energy prices may be passed down by suppliers to consumers, hence elevating operating costs for both Axis-REIT and its tenants.

Transition Risk Innovation and other technological advancements

Potential Impact

Buildings that do not meet evolving standards for resource-efficiency may lead to property obsolescence, requiring substantial capital investment for retrofitting and potentially reducing property value. Operational inefficiencies, such as rising utility costs due to outdated technologies or tariff increases, could elevate expenses and lower productivity. These challenges may also affect tenant retention, resulting in higher vacancy rates and pressure on rental income and DPU.

Transition Risk Change in tenant behaviour

Potential Impact

Properties that do not meet evolving tenant expectations for energy efficiency and sustainability may face reduced demand, higher vacancy rates, and potential portfolio devaluation. To remain competitive, Axis-REIT may need to invest significantly in resource-efficient technologies and environmentally responsible practices, which could increase capital expenditure and impact long-term profitability.

Transition Risk Talent retention and attraction

Potential Impact

Misalignment with sustainability expectations may increase recruitment costs and weaken the talent pipeline, especially among younger employees. High employee turnover due to poor satisfaction could lead to operational inefficiencies and loss of critical human capital. Together, these risks may undermine long-term performance and increase financial strain on Axis-REIT.

Transition Risk Behavioural trends and social changes

Potential Impact

Greenwashing can undermine Axis-REIT's credibility, creating legal exposure and eroding stakeholder trust. Separately, not meeting disclosure expectations or failing to comply with regulatory frameworks could restrict access to financing. Together, these risks could weaken capital-raising ability and hinder long-term growth of the Fund.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Axis-REIT's strategy remains resilient through robust governance, comprehensive due diligence, and effective scenario planning. Sustainability criteria are embedded in acquisitions, prioritising green-certified properties and resource-efficient designs. These measures mitigate energy and carbon risks, strengthen portfolio quality, and support long-term competitiveness.

Leveraging our strong environmental compliance foundation, the Manager identifies opportunities that enhance sustainability performance, improve tenant appeal, and strengthen the long-term resilience of the portfolio. Key climate-related opportunities include:

- Enhancing climate resilience and property value through green building certifications, resilient design features, and innovative technologies that reduce operating costs while improving tenant attractiveness
- Investing in green energy procurement and energy-efficient technologies to reduce energy dependence, improve operational efficiency, and mitigate future regulatory and investment risks
- Strengthening ESG-aligned procurement and supply chains to reduce exposure to climate-related disruptions and support long-term operational resilience
- Capitalising on market demand for sustainable, green-certified properties to enhance tenant retention, attract quality occupiers, and improve the overall competitiveness of the portfolio
- Leveraging strong sustainability performance and transparent disclosures to access capital markets more effectively, tap into sustainable investment funds, and broaden the investor base
- Supporting strategic portfolio growth by acquiring properties with lower climate risks and mitigating risks within the existing portfolio through targeted upgrades and resilient infrastructure investments

- Attracting and retaining talent by demonstrating a strong organisational commitment to sustainability, innovation, and long-term climate stewardship

Significant Areas of Uncertainty

Climate-related impacts on Axis-REIT's business model and financial performance inherently involve uncertainties and assumptions. Key areas include:

- **Future carbon pricing and timing of implementation:** Carbon pricing levels and enforcement timelines remain uncertain across jurisdictions, and may increase operating costs for some of our tenants, potentially impacting their rental affordability and, in turn, our overall rental performance.
- **Technological viability and cost of low-carbon solutions:** Delays in adopting low-carbon materials and energy-efficient technologies may potentially lead to prolonged cost premiums and supply constraints.

These uncertainties influence scenario planning and financial projections, underscoring the need for robust risk management and adaptive strategies.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Energy and Carbon Footprint

Efforts in managing the Fund's energy and carbon footprint are guided by our Environmental Policy, which addresses GHG emissions, energy, water, and waste management practices, as well as the use of sustainable materials and technologies, where possible. Our Renovation Manual also includes specific guidelines on the adoption of renewable energy and green building standards to drive sustainable practices among our tenants.

We ensure that all systems and installations in the Fund's property portfolio comply with the Electricity Supply Act 1990 (Act 447) and the Electricity Regulations 1994. They also have the relevant operating certificates and valid yearly renewable licences. These systems are managed by an Energy Commission (EC) Malaysia-certified charginer, and are regularly audited for assurance on operational efficiency and compliance with environmental regulations.

The Facilities Management Team is responsible for managing the Fund's energy and carbon footprint. The HSSE Manager tracks and reviews monthly electricity consumption at multi-tenanted properties and, where necessary, flags any abnormal consumption patterns for investigation and corrective action by the respective Facility Managers.

This year, we collaborated closely with the EC to understand the new requirements and prepare for compliance with the Energy Efficiency and Conservation Act (EECA), which came into effect in January 2025. Following these discussions, we initiated submissions for BEI ratings across nine multi-tenanted properties. In the coming year, we will continue this process by providing the necessary documentation and data to support the completion of the rating assessments.

We conducted a materiality assessment to understand our impact in relation to Scope 3 GHG emissions and to identify the categories most relevant to our operations. This assessment will guide our efforts to progressively monitor and report on more complete Scope 3 data in the coming years. We identified seven material Scope 3 categories; we disclosed two in 2023 and have disclosed an additional two in this Report, bringing us to four categories disclosed as of 2025. The remaining three categories will be disclosed as part of our 2026 reporting cycle.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Separately, we are also looking to work with tenants to incorporate more renewable energy solutions at our properties to enhance energy efficiency and reduce GHG emissions across our portfolio.

Recognising the importance of a robust framework to oversee the management of sustainability matters, we further strengthened our governance structure by formally naming our Executive Chairman as the person responsible for climate change risk oversight at the Board level, effective January 2025.

Metrics and Targets

In 2025, the Manager actively advanced efforts to achieve the energy reduction targets set in 2022 for the Fund’s multi-tenanted properties.

Target:
To achieve a 1% reduction in energy consumption and GHG emissions in 5 years (2022-2026), compared against the baseline data set in 2019.

Performance Tracking

In 2025, we reduced our total energy consumption by 10.21% and achieved a 13.28% reduction in Scope 1 and 2 GHG emissions, compared against the baseline data set in 2019.

Having met the previous energy reduction target ahead of schedule, the Manager has established a Carbon Neutrality by 2050 Roadmap, with future GHG reductions expected to be supported through green energy procurement. In line with this strategy, the Fund has reset its energy and emissions targets for the next five years to ensure alignment with the long-term goal.

New targets aligned with the Carbon Neutrality by 2050 Roadmap
To achieve a 25% reduction in GHG emissions and a 1% reduction in energy consumption in five years (2026-2030), compared against the baseline data set in 2025.

Annual Energy Consumption

The Manager reports Axis-REIT’s total building energy consumption annually, including electricity purchased and fuel used by generator sets (gensets) under the Manager’s direct operational control, specifically within the common areas of multi-tenanted properties. Energy consumption from company vehicles is also included to provide a more comprehensive view of the Fund’s operational footprint.

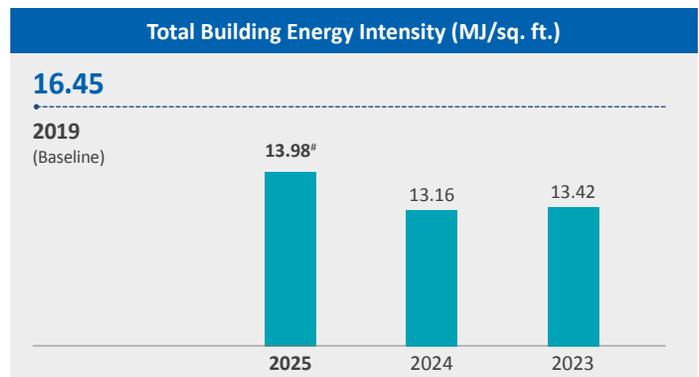
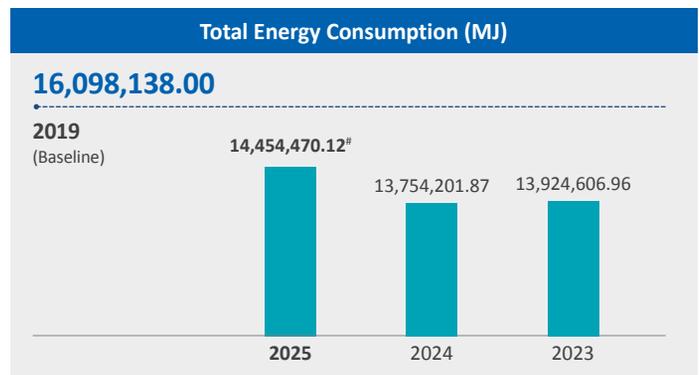
Axis-REIT recorded a 10.21% reduction in total energy consumption in 2025, compared to the 2019 baseline. This reduction is driven by ongoing energy-efficiency measures and equipment upgrades that have reduced operational energy requirements over time. This progress is further reflected by the Fund’s 15.02% reduction in building energy intensity from the 2019 baseline.

While the long-term trend shows improvement, slight year-on-year increases were recorded in both total energy consumption and building energy intensity between 2024 and 2025. This was mainly driven by AEIs, higher tenant occupancy rates at several properties, and utility billing reconciliation by our energy provider.

Axis-REIT continues to implement measures to optimise energy use across its portfolio. These efforts reinforce our commitment to continuous improvement, operational efficiency, and alignment with our broader sustainability and climate-related goals.

Annual Energy Consumption

Coverage: Entire operations including headquarters (100%)



Notes:

- Total energy consumption presented covers the common areas of all 13 multi-tenanted properties (including the Manager’s headquarters) that are directly managed by the Manager, as well as vehicles used for the Fund’s operations.
- Total energy consumption covers non-renewable energy sources (i.e. purchased electricity, petrol, and diesel). Axis-REIT does not consume renewable energy.
- Electricity consumption is derived from the electricity bills of the common areas of multi-tenanted properties.
- Genset fuel consumption data is determined by tabulating fuel gauge readings.
- Consumption data for purchased electricity in kilowatt-hours (kWh) and genset fuel consumption in litres were converted to megajoules (MJ) for standardisation purposes. The conversion factors are derived from the GHG Protocol Scope 2 Guidance, 2006 IPCC Guidelines for National Greenhouse Gas Inventories, and PETRONAS Dagangan’s fuel properties data sheet 2009.
- The calculation method for total energy consumption is based on GRI Standards.
- Total building energy intensity is calculated by dividing total energy consumed at the common areas of multi-tenanted properties by the total common area of these properties.

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

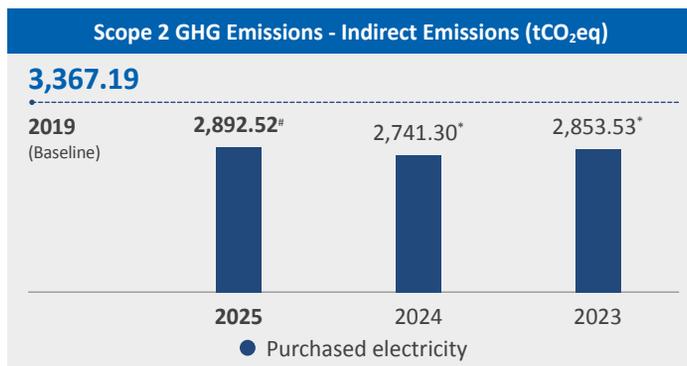
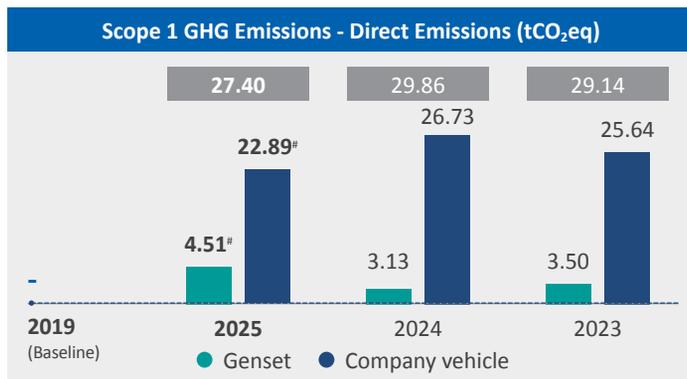
MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Annual Scope 1 and 2 GHG Emissions

We monitor Scope 1 and Scope 2 GHG emissions of the common areas of our multi-tenanted properties, which are under our direct control. In 2025, we achieved a 13.28% reduction in Scope 1 and Scope 2 GHG emissions compared to our 2019 baseline.

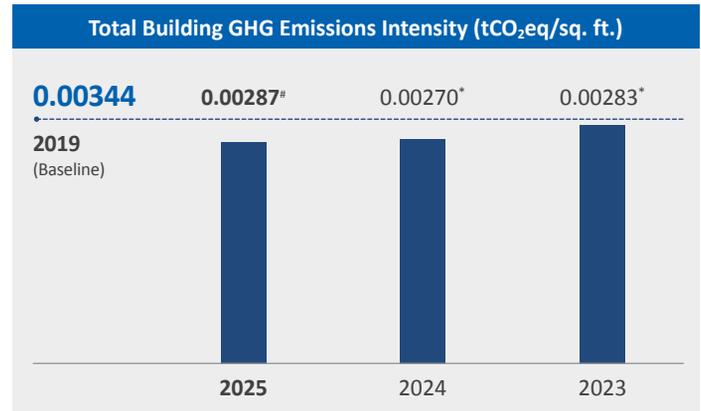
Annual Scope 1 and 2 GHG Emissions (tCO₂eq)

Coverage: Entire operations including headquarters (100%)



Annual Building GHG Emissions Intensity (Scope 1 and Scope 2) (tCO₂eq/sq. ft.)

Coverage: Entire operations including headquarters (100%)



Notes:

- Annual Scope 1 and Scope 2 GHG emissions presented cover the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are under direct control of the Manager, as well as vehicles used for the Fund's operations.
 - GHG emissions track carbon dioxide (CO₂) emissions and is calculated based on the corresponding Global Warming Potential (GWP) value from IPCC's Sixth Assessment Report (2022).
 - The source of the emission factor for Scope 1 GHG emissions is derived from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.
 - The emission factor for Scope 2 GHG emissions (Purchased Electricity) is derived from the Grid Emission Factor (GEF) in Malaysia published by the EC.
 - Total building GHG emissions intensity is calculated by dividing total Scope 1 and Scope 2 emissions emitted from the common areas of our multi-tenanted properties by the total common areas of these properties.
- * Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2023 and 2024 were restated according to the latest provisional grid emission factor (GEF) published by the Energy Commission (EC) in February 2026.
- # This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

Annual Scope 3 GHG Emissions

We began reporting Scope 3 emissions in 2023, initially covering Category 6 (Business Travel) and Category 7 (Employee Commuting) as the first step toward enhancing transparency across the value chain. In 2025, we expanded the reporting boundary to include Category 3 (Fuel & Energy-related Activities) and Category 13 (Downstream Leased Assets). As a REIT with a large portfolio of leased properties, with tenant electricity consumption within leased spaces representing the most significant contributor to our overall climate footprint, Category 13 was identified as the most material emissions source for our Scope 3 emissions.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Annual Scope 3 GHG Emissions

Item	Unit	2025 [#]	2024	2023
Category 3 Fuel & Energy-related Activities	tCO ₂ eq	1,236.68	1,172.97	1,188.60
(i) Petrol	tCO ₂ eq	5.42	6.32	6.07
(ii) Diesel	tCO ₂ eq	0.99	0.69	0.77
(iii) Grid Electricity	tCO ₂ eq	1,230.28	1,165.96	1,181.76
Category 6 Business Travel	tCO ₂ eq	7.37	14.60	18.66
Category 7 Employee Commuting	tCO ₂ eq	179.48	167.08	193.57
Category 13 Downstream Leased Asset	tCO ₂ eq	261,554.51	-	-
(i) Office/Industrial	tCO ₂ eq	20,669.64	-	-
(ii) Manufacturing Facility	tCO ₂ eq	210,948.16	-	-
(iii) Logistics Warehouse	tCO ₂ eq	23,979.32	-	-
(iv) Hypermarket	tCO ₂ eq	5,957.39	-	-

Notes:

- Scope 3 GHG emissions data covering Category 13 (Downstream Leased Assets) are only available from when the Manager began tracking the data in 2025.
- The calculation methodology of Scope 3 GHG emissions is derived from GHG Protocols: Technical Guidance for Calculating Scope 3 Emissions and the UK Government GHG Conversion Factors for Company Reporting from DEFRA.
- All Scope 3 emissions for the reported categories were calculated using average data methodologies in accordance with the GHG Protocol's Technical Guidance for Calculating Scope 3 Emissions.
- Data for Scope 3 Category 13 (Downstream Leased Assets) reflects 88% NLA coverage.

Outlook

With previous energy-reduction targets achieved ahead of schedule, the Manager has aligned its forward strategy with the Carbon Neutrality by 2050 Roadmap and has set new energy and emissions targets for the 2026-2030 period.

To support progress toward these targets, the Manager will continue implementing initiatives that enhance efficiency, reduce emissions, and strengthen operational resilience. Key planned measures include:

- Procuring green energy as a primary lever to support long-term GHG reductions
- Installing EV charging stations at selected multi-tenanted properties in 2026
- Enhancing capacity and upskilling the Facilities Management Team in alignment with the EECA, the latest Fire Services Act requirements, and emerging energy-efficiency technologies
- Expanding Scope 3 GHG disclosures in the coming years
- Securing additional green leases during upcoming negotiations, where applicable
- Obtaining one new green building certification per year for the portfolio

These initiatives support Axis-REIT's long-term sustainability ambitions and prepares the Fund for Malaysia's evolving regulatory landscape, including EECA compliance and the anticipated introduction of a national carbon tax. Through this proactive approach, the Manager aims to strengthen environmental stewardship, create long-term stakeholder value, and contribute to the nation's transition toward a low-carbon economy.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Water Management



Capitals

- 🌿
Natural

Strategic Pillars

- ⚙️
Facilities Management
- 🏗️
Development

Business Risks

- 🌍
Environmental

UN SDGs

6

CLEAN WATER AND SANITATION

13

CLIMATE ACTION

Description of Risks Related to Water Management

Water resources and access to a clean, reliable supply remain essential to the Fund’s property operations. Water supports critical building functions, including cooling systems, washroom facilities, hygiene and cleaning services, fire protection, construction activities, and day-to-day business needs of our tenants. As climate change, environmental degradation, and rising consumption place increasing pressure on water availability and quality, effective water management has become an even greater priority within our sustainability agenda.

Deterioration in water quality can disrupt building systems, impair equipment performance, and interfere with tenants’ business activities. Water shortages or supply interruptions may also hinder essential building functions, reduce tenant comfort, and require contingency measures. Collectively, these risks have the potential to affect operational efficiency, increase costs, and impact overall tenant satisfaction across the Fund’s portfolio.

Effects on Business Model and Value Chain

Water related risks have implications across the Fund’s entire value chain, shaping how properties are managed, how operational contingencies are planned, and how our tenants’ business needs are supported.



- ➔ Upstream, the Manager relies on external water utilities and contractors whose practices directly influence water availability, reliability, and efficiency. Poor source quality, supply disruptions, or inefficient water use during construction and AEs can affect property readiness and increase oversight requirements.
- ➔ Core operations are directly impacted as water is central to building systems such as cooling, sanitation, cleaning, and landscaping. While routine consumption across most properties remains stable, AEs can temporarily elevate usage, requiring closer monitoring. Leak detection, efficient fixtures, and ongoing consumption oversight are essential to maintaining uninterrupted building operations and optimal system performance.
- ➔ Responsible water use helps reduce pressure on local water resources and supports community expectations for sustainable operations. Effective water management reinforces the Fund’s positioning as a responsible property steward and contributes to overall environmental sustainability across the portfolio.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

Water-related considerations are increasingly integrated into how the Manager plans, manages, and enhances the Fund's properties. The Manager has assessed all properties since 2024 using the World Resources Institute's Aqueduct Water Risk Atlas to identify potential water-stress exposure. The assessment confirmed that the Fund's properties are not located in high water-stress areas, with the exception of one property in Sungai Petani, Kedah. Despite its location, this property has not experienced any water-supply disruptions since its acquisition in 2007. Following the assessment, water-stress evaluations have been incorporated into the Fund's due-diligence checklists for potential investments and developments. Insights from the portfolio's water-stress assessment also informs the Manager's tenant-engagement processes.

Building on these insights, the Manager continues to integrate water-efficiency considerations into operational planning. This included efforts in 2025 to complete the repurposing of old firefighting water tanks into rainwater harvesting systems at Axis Shah Alam Distribution Centre 3, and to install new rainwater harvesting tanks at Wisma Academy, Menara Axis, and Crystal Plaza. As part of ongoing strategic planning, the Manager will explore the feasibility of expanding rainwater harvesting installations to additional multi-tenanted properties in 2026.

Operationally, the Manager maintains a consistent focus on monitoring water consumption across the Fund's portfolio, investigating abnormal trends, and ensuring that each property is managed with water efficiency in mind. These initiatives support both risk mitigation and resource stewardship.

Beyond day-to-day operations, sustainable water management is embedded within the Manager's ESG strategy for development projects and major AEs, contributing to green building certification processes. This includes adopting water-efficient design principles, installing water-saving technologies, and implementing construction-phase water-management practices, as outlined in the accompanying table. Together, these measures ensure that water considerations remain an important factor in strategic planning, operational decision-making, and long-term sustainability outcomes across the Fund's portfolio.

ESG Strategies for Efficient Water Management in New Developments and Major AEs



Water Efficient Fittings

- ➔ Reducing potable water usage via Water Efficiency Labelling Scheme rated water fittings



Water Usage & Leak Detection

- ➔ Use of sub-metering to enhance monitoring and leak detection for major water consumption functions



Alternate Water Sources

- ➔ Utilising harvested rainwater to minimise potable water consumption by applying it to non-potable uses, such as landscape irrigation and general cleaning



Irrigation System and Landscaping

- ➔ Minimising potable water consumption by using drought-tolerant plants for landscape purposes



Water Efficiency Improvement Plans

- ➔ Implementing water efficiency improvement plans and regularly reviewing progress on water saving targets

We continued to implement ongoing initiatives to optimise water use in our own operations and across our portfolio this year, summarised in the table below:

Ongoing Water Management Initiatives



Water Recycling Initiatives

- ➔ Facilitating the recycling of rainwater for landscaping, general cleaning, and other applications by installing rainwater harvesting systems at selected multi-tenanted properties
- ➔ Repurposing of old firefighting water tanks as rainwater harvesting tanks at Axis Shah Alam Distribution Centre 3



Water-stress Evaluation

- ➔ Assessing all properties for water stress via the World Resource Institute's Aqueduct Water Risk Atlas tool
- ➔ Incorporating water-stress assessments in initial due diligence checklists for potential investments and developments



Water Conservation Awareness Programmes

- ➔ Installing reminder stickers on water conservation in common area washrooms and ablution areas of selected multi-tenanted properties
- ➔ Disseminating circulars to tenants and raised awareness with employees, contractors, and maintenance personnel on the importance of water conservation

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Water Security Assessment

- Ensuring better preparedness for potential water disruptions by reviewing water storage capacities and requirements across the portfolio to identify where additional storage may be needed



Equipment and Fitting Upgrades

- Regularly reviewing water consumption at multi-tenanted properties and discussed findings with the relevant tenants
- Optimising the use of water during AEs by replacing conventional water fittings with water-efficient fittings



Preventive Maintenance and Monitoring

- Monitoring monthly water usage at multi-tenanted properties
- Identifying leaks promptly through monitoring of utility meters/bills and preventative maintenance checks
- Conducting regular cleaning of water tanks and installing water filters
- Conducting scheduled building audits that include water management practices



Water Quality Preservation

- Conducting assessments on water quality at cooling tower systems every two weeks and providing additional assurance on water quality by dispatching water samples to a laboratory for comprehensive testing every six months
- Engaging an independent laboratory to test water samples from sewerage treatment plant (STP) effluents every two months and checking for water quality parameters in compliance with the requirements and standards of the Department of Environment Malaysia (DOE)

Financial Effects

Current Financial Effects

Current financial impacts from water-related risks remain limited and largely operational in nature, comprising:

- Routine water charges and maintenance of water-related equipment
- Minor costs associated with repairs, leak rectifications, or installing efficient fixtures
- Temporary cost increases during AEs due to elevated water usage

During the year, there have been no material financial losses arising from water quality issues or supply disruptions.

Anticipated Financial Effects

Future financial impacts may arise from:

- Increased operational expenditure should water scarcity lead to higher tariffs or require alternative supply arrangements
- Higher capital expenditure for water-efficient upgrades, retrofits, or replacement of water-intensive systems
- Potential downtime-related costs in the event of prolonged supply disruptions affecting building operations or tenant activities

While none of these impacts are currently material, the Manager monitors water-related risks to prepare for potential long-term regulatory and environmental changes.

Resilience of Our Strategy and Business Model in Relation to Risks Related to Water Management

Axis-REIT's strategy remains resilient as water risks do not fundamentally alter the long-term demand for our properties. Our proactive management approach supports operational continuity and reduces exposure to water-related disruptions by focusing on water-efficiency measures, preventive maintenance, leak management, and tenant engagement.

Ongoing enhancements to building systems, combined with close collaboration with service providers, contractors, and tenants, strengthen the Fund's ability to respond to changing water conditions. These efforts reinforce our commitment to sustainable operations and long-term value creation.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Water Management

We promote the conservation and optimisation of water use through a structured set of processes and controls designed to minimise wastage and enhance efficiency across our properties. The Manager prevents wastage and ensures proper wastewater treatment by implementing a range of measures, including the use of water-efficient sanitary fittings, sub-metering and oversight. These efforts are complemented by ongoing assessments of rainwater-harvesting feasibility and awareness-building initiatives conducted through tenant engagements. All efforts are guided by the Fund's Environmental Policy, relevant green-building certification guidelines, and internal practices implemented by the Property Management Team.

The Manager's responsible water-management practices also extend to maintaining water quality, particularly in managing effluents from STP systems. To ensure compliance with standards set by the DOE, the

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Manager engages external service providers to support monitoring and treatment processes.

In addition, the Facilities Management Team oversees water usage across the Fund’s multi-tenanted properties by monitoring, analysing, and reporting consumption. This integrated oversight framework enables timely detection of anomalies, supports informed decision-making, and strengthens the Fund’s overall water stewardship.

Metrics and Targets

In 2022, we established a water usage reduction target for all properties under our direct control (i.e. multi-tenanted properties). Our water management initiatives aim to continuously improve our water use efficiency and reduce any wastage of water towards achieving this target.

Target:
To reduce water usage at Axis-REIT’s multi-tenanted properties by at least 1% over five years (2022-2026), compared against the baseline data set in 2019.

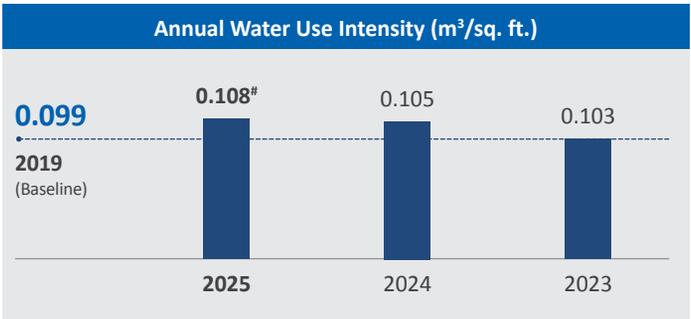
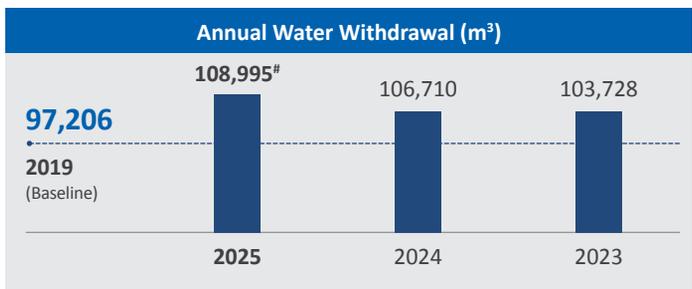
Performance Tracking

In 2025, overall water usage increased by 12.1% from the baseline year of 2019 and Water Use Intensity increased by 8.5%.

Total water consumption across the Fund’s multi-tenanted properties in 2025 increased by 12.1% compared to the 2019 baseline and by 2.14% year-on-year. This increase was caused by major AElS undertaken during the year that required higher-than-usual water usage, and a rise in occupancy levels at several multi-tenanted properties since the baseline year. For instance, occupancy at Quattro West increased from 43% in 2019 to full occupancy in 2024 and remained at 100% through 2025, naturally driving higher water consumption at the property. Water use also increased year-on-year as additional multi-tenanted properties came under the Manager’s direct control in 2024, with their first full-year water consumption reflected in the 2025 reporting cycle.

Recognising these shifts, the Manager will review the Fund’s existing water-reduction targets in the coming year and establishing a new baseline that better reflects current operating conditions and utilisation patterns.

Coverage: Entire operations including headquarters (100%)



- Notes:**
- Total annual water withdrawal is derived from the water bills of the common areas of the Fund’s 13 multi-tenanted properties (which are under direct control of the Manager). The data presented is obtained directly from water meters.
 - The source of water withdrawal is municipal potable water only.
 - The total amount of water withdrawn is the same as the total amount of water discharged into third-party municipal sewerage systems (i.e., Indah Water Konsortium (IWK)) with negligible amounts of water consumed.
 - IWK does not provide the volume of water discharged into the municipal sewerage system.
 - 2019 has been selected as the baseline year as it is representative of pre-pandemic operating conditions.
 - Water Use Intensity is calculated by dividing total water consumed by the common area of multi-tenanted properties (which are under direct control of the Manager) by the total common area of these properties.
 - The calculation method for Water Use Intensity is based on sources from the Leadership in Energy and Environmental Design (LEED) rating system and Energy Star (trademarked ENERGY STAR) – a programme run by the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy.
 - The tabulated figures for Annual Water Use Intensity have been rounded to the nearest third decimal place for better data accuracy.
- [#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

Outlook

Moving forward, our water management efforts will continue to focus on water conservation and optimisation. We remain committed to implementing water saving practices for multi-tenanted properties while also raising awareness of the importance of water conservation among tenants, employees, vendors, and contractors.

In the coming years, we plan to continue conducting scheduled building audits that include water management practices. We will continue with existing initiatives such as assessing the viability of installing rainwater harvesting tanks at multi-tenanted properties, monitoring properties located in water-stressed areas through the World Resource Institute’s Aqueduct Water Risk Atlas tool, and exploring potential new opportunities to further optimise water consumption.

These initiatives are expected to improve our water management practices, driving us towards achieving our water reduction target. In view of our rapid expansion strategy and the potential addition of multi-tenanted properties to the portfolio, the Manager will review our water reduction targets in the coming year and establish a revised baseline.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Waste Management



Capitals

- ♻️
Natural

Strategic Pillars

- ⚙️
Facilities Management
- 🏗️
Development
- 📊
Investment

Business Risks

- 🌍
Environmental

UN SDGs

12
RESPONSIBLE CONSUMPTION AND PRODUCTION
♻️

13
CLIMATE ACTION
🌍

Description of Risks Related to Waste Management

Effective waste management practices remain a strategic priority for the Fund to minimise environmental impact amid rapid portfolio expansion. The Manager’s waste management approach focuses on reducing operational risks, adopting responsible waste-handling practices, and supporting a greener environment.

Non-compliance with waste-related regulations or poor waste-management performance may result in elevated regulatory scrutiny, operational disruptions, and reputational impacts for the Fund.

Effects on Business Model and Value Chain

Waste management practices influence the Fund’s value chain, particularly in how properties are managed, how tenants interact with the built environment, and how the Manager upholds environmental stewardship across the portfolio.



- ➔

Upstream impacts arise from the operations of waste-collection vendors, Facility Managers, and contractors who support the Fund’s property operations. Proper waste handling, segregation, and disposal depend on their compliance and service quality. For tenants, onboarding processes implemented by the Manager help ensure that they understand and commit to the Fund’s waste-management requirements.
- ➔

The Manager ensures that all waste from the Fund’s managed properties, mainly multi-tenanted office buildings, is properly segregated, collected, and disposed of. Routine waste management poses minimal risk, as hazardous waste is not material to the Fund’s portfolio. Significant waste volumes arise primarily during major AEs, where the Manager’s supervision is required to ensure contractors adhere to proper disposal and recycling practices.
- ➔

The Fund’s waste streams consist largely of domestic waste and recyclables, with e-waste handled responsibly through established recycling programmes. Proper waste management minimises environmental footprint, supports community expectations for responsible operations, and strengthens the Fund’s environmental stewardship across its portfolio.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

The Fund's waste-management strategy builds directly on the risks and value-chain considerations previously outlined above. The Manager incorporates insights on how upstream partners, core operational practices, and downstream impacts influence the Fund's environmental performance, ensuring waste is managed responsibly across the Fund's portfolio.

Recognising that routine property operations primarily generate general waste, the Manager focuses on initiatives that strengthen oversight, reinforce tenant and vendor responsibilities, and support long-term waste-reduction efforts. Guided by the 5R concept — Refuse, Reduce, Reuse, Repurpose, and Recycle — these initiatives are designed to translate upstream expectations and operational requirements into measurable outcomes.

1. Promoting Recycling Through The 5R Concept

- ➔ Providing recycling bins for tenants at multi-tenanted properties to dispose of recyclable materials such as paper, plastic, metal, and glass
- ➔ Setting up repositories for the collection of e-waste and other specific materials such as warehouse timber storage pallets. We encourage the use of these facilities through prominent signage and by distributing circulars to tenants
- ➔ Distributing electronic circulars to tenants, instead of printed hardcopies, as an initiative to reduce the use of paper. We have also converted our internal operational checklists and communications materials to electronic formats. Annual reports have been provided in soft copy to our Unitholders since 2021
- ➔ Providing recycling bins in our offices to encourage employees to adopt recycling habits in their daily activities
- ➔ Actively reusing and/or recycling construction materials for all developments and major renovation projects, and collecting data on these efforts
- ➔ Conducting training and briefing sessions on recycling initiatives and proper waste disposal for vendors, Facility Managers, and housekeeping staff

2. Ensuring Responsible Handling and Disposal of Waste

- ➔ Ensuring that general waste is collected by licensed waste contractors and disposed of responsibly, at authorised sites, and in accordance with regulatory requirements

3. Monitoring Waste Disposed for Target Setting and Improvements

- ➔ Keeping records provided by waste collection contractors on the volume of recyclable waste and e-waste generated at our multi-tenanted properties. Monitoring these records (as disclosed in the Targets & KPIs section) allows us to track recycling trends and identify areas for improvement
- ➔ Collecting comprehensive data on recyclable waste and general waste that is not recycled at multi-tenanted properties

For our development projects and major AElS, our waste management practices focus on sourcing and using sustainable materials for our projects and implementing targeted waste management initiatives. Introduced in 2022, these initiatives include actively reusing or recycling construction materials, where practicable. We also collect data on the volume of materials used, recycled, and disposed to landfill to evaluate the effectiveness of our efforts. This ensures alignment with our goals of minimising the disposal of waste to landfills and contributing towards green building certification requirements.

ESG Strategies for Efficient Waste Management at Development Projects and Major AElS



Environmental Management Practice

- ➔ Minimising construction waste by implementing effective environmental programmes, including the sourcing and use of sustainable materials
- ➔ Encouraging recycling through the provision of recycling bins for different recyclable waste such as paper, glass, and plastic



Green Features and Innovation

- ➔ Providing composting bins to encourage composting and the use of recycled landscape waste
- ➔ Minimising demolition waste by implementing effective environmental programmes
- ➔ Minimising water pollution during construction by implementing effluent quality testing at main outlets

Financial Effects

Current Financial Effects

The financial implications linked to waste management have been operational in nature and remain immaterial to the Fund. These include routine waste collection and disposal costs embedded in property operating expenses and administrative costs associated with tenant communication and compliance monitoring.

In FYE2025, no significant financial penalties were recorded arising from waste management issues.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Anticipated Financial Effects

Potential future financial effects include:

- ➔ Incremental capital investment to upgrade waste facilities and introduce enhanced segregation or hazardous-waste containment measures
- ➔ Higher operating costs associated with expanded monitoring, data tracking, and reporting requirements
- ➔ Potential cost savings from improved waste management efficiency and reduced disposal volumes
- ➔ Possible financial exposure in the event of regulatory non-compliance by tenants of Axis-REIT's properties

Resilience of Our Strategy and Business Model Regarding Risks Arising from Waste Management

Axis-REIT's business model remains resilient as waste-related SROs do not materially affect the long-term demand for industrial and commercial properties. The Fund's proactive asset-management approach, supported by continuous tenant engagement, planned property improvements, and alignment to NSRF requirements, enables us to effectively manage evolving regulatory expectations.

Ongoing monitoring and capacity building reinforce our ability to withstand future waste-related risks. These efforts support the Fund's overarching commitment to operational excellence, sustainable growth, and long-term value creation.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Waste Management

The Property Management Team oversees Axis-REIT's waste management practices. This ensures that waste from our multi-tenanted properties, AEs, and development projects is properly handled, minimising the Fund's environmental footprint and avoiding potential health and safety issues for our stakeholders.

Our waste management practices aim to reduce the volume of waste disposed to landfills, and are guided by our Environmental Policy, Renovation Manual, and the 5R concept.

To reinforce these efforts, our material, supplier, and tenant selection processes incorporate ESG-related requirements and criteria. We have also included clauses on recycling in our Renovation Manual to encourage recycling practices among our tenants and vendors.

The Fund has two broad categories of waste, namely:

General Waste

General waste broadly refers to waste collected from the multi-tenanted properties in our portfolio. We appoint third-party service providers to collect general waste on alternate days, while recyclables and e-waste are collected twice a month.

At the point of collection, the volume of waste is weighed, documented, and acknowledged by the respective Facility Manager, and subsequently verified by the HSSE Manager.

Construction Waste

Construction waste refers to waste generated from our development projects, as well as major AEs. These may include hoarding, timber, steel bars, scrap metal, debris, and other material waste generated by our construction, renovation, and refurbishment activities.

We work with our contractors and suppliers to reuse and recycle building materials wherever feasible, with practicality determined by the types and condition of waste generated for each specific development or AE. This practice, guided by the 5R concept and the Renovation Manual for the safe disposal of hazardous waste, reduces the disposal of construction waste from our developments and AEs.

We appoint an outsourced green building consultant and on-site contractors to monitor and document the volume of construction materials that are reused and recycled, along with the volume of construction waste generated at our development projects and AEs.

We measure, monitor, and report waste generated in order to identify waste streams and evaluate the effectiveness of our initiatives in minimising waste disposed to landfills. Waste collection data has been documented since 2022, providing a baseline for setting waste management targets. This ongoing data collection enables monitoring of progress and the effectiveness of our waste management initiatives against the Fund's sustainability goals.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Metrics and Targets

General Waste

In 2023, the Manager established a target to reduce the volume of waste sent to landfill by 10% over a five-year period from 2023 to 2027, as measured against baseline data established in 2022.



Targets:

Reduce the volume of waste sent to landfill by 10% in five years (2023-2027), from the baseline year of 2022.

Performance Tracking

In 2025, we recorded a 10.6% increase in the volume of general waste disposed to landfill compared to our baseline set in 2022. However, on a year-on-year basis, this was a decrease of 5.3% from 2024.

The Fund collected approximately 1.06 million tonnes of general waste from its multi-tenanted properties in 2025, representing a 10.6% increase compared to the 2022 baseline. This increase is largely

attributed to the additional space under management and higher occupancy levels at the Fund's multi-tenanted properties from 2023 onwards. Despite the growth in absolute waste volumes, the Manager has continued to reduce general waste intensity year-on-year over the past three years, demonstrating improved operational efficiency.

Although general waste has increased in total volume, the amount of recycled waste has also grown — rising 10.5% year-on-year and improving by 38.8% since the 2022 baseline. This reflects ongoing improvements in recycling activities, despite higher total waste output driven by portfolio expansion and higher utilisation.

The Manager recognises that there remains significant potential to further enhance waste segregation and recycling across the Fund's properties. Moving forward, we will continue to strengthen our efforts and broaden initiatives aimed at encouraging greater recycling participation among employees, tenants, and the community.

Total Waste Diverted from Disposal to Landfill (kg)

Total Recyclable Waste Collected (kg)	2025	2024	2023	2022 (Baseline)
Paper	28,730	25,050	24,090	19,768
Glass/Metal/Aluminium cans	9,580	8,990	8,795	7,421
Plastic	7,720	6,710	5,930	4,284
E-waste	3,600	4,170	3,895	4,281
Total	49,630	44,920	42,710	35,754

Total Waste Disposed to Landfill (kg)

Total General Waste Collected (kg)	2025	2024	2023	2022 (Baseline)
General Waste	1,066,367	1,125,887	1,183,547	964,010

Notes:

1. Data for recyclable waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).
2. Types of e-waste include light bulbs, transmitters, used computers, light fittings, electrical cables, photocopier toner/cartridges, electrical switchgears and relays, and printed circuit boards.
3. Data for general waste is derived from documentation provided by waste contractors for multi-tenanted properties (under the direct control of the Manager).

Composition of Total Waste Generated

Year	Total General Waste	Total Recyclable Waste	Recycling Rate
2025	1,066,367	49,630	4.45%
2024	1,125,887	44,920	3.8%
2022 (baseline)	964,010	35,753	3.58%
% change year-on-year	-5.3%	10.5%	0.6%
% change baseline	10.63%	38.81%	0.87%

Note:

The recycling rate is the total volume of recycled waste divided by the total volume of waste generated from our multi-tenanted properties.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Construction Waste

No data on construction waste recycling or reuse was recorded in 2025, as there were no development projects during the year.

Pre-set fixed targets for construction waste management are not applied, as volumes vary depending on the number, type, scale, and stage of development projects and AEs undertaken.

Outlook

We remain committed to reducing the disposal of general waste to landfill, in line with our Environmental Policy, Renovation Manual, and the 5R concept. To support this commitment, the Manager will continue implementing initiatives to strengthen the management of general waste generated across the Fund's multi-tenanted properties. As the Fund's portfolio of multi-tenanted buildings continues to grow, the Manager will review existing targets in the coming year to ensure they remain both credible and achievable, reflecting actual waste-generation patterns on the ground.

At the same time, we will uphold our commitment to incorporate sustainable materials and promote the recycling and reuse of building materials in development projects and major AEs, wherever feasible. These efforts are aimed at reducing construction-phase waste and enhancing sustainability across the Fund's operations, while minimising environmental impact. In parallel, we will intensify initiatives that encourage waste-reduction practices among employees, tenants, and contractors, further strengthening the Fund's overall environmental performance.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

SOCIAL



Occupational Health and Safety



Capitals

- Human
- Social & Relationship

Strategic Pillars

- Development
- Facilities Management

Business Risks

- Human Resource
- Real Estate Management

UN SDGs



Description of Risks Related to Occupational Health and Safety (OHS)

The Manager places the highest priority on safeguarding the health, safety, and well-being of its employees and contractors. A safe working environment is fundamental to operational excellence and sustainability. We are committed to implement robust OHS practices across all site offices and properties to prevent accidents, protect health, and ensure compliance with regulatory standards.

The primary risk relates to challenges in consistently ensuring employee safety and well-being at site offices and during operational activities. This includes:

- ➔ Exposure to workplace hazards leading to injuries or health issues.
- ➔ Non-compliance with statutory health and safety requirements, resulting in legal and reputational consequences.
- ➔ Reduced employee morale and productivity due to inadequate safety measures.

Conversely, strong OHS practices present opportunities to enhance workforce engagement, reduce operational disruptions, and strengthen our reputation as a responsible employer.

Effects on Business Model and Value Chain

These risks and opportunities directly influence our business model, which is built on delivering sustainable value through high-quality properties, strong tenant relationships, and responsible operations. SROs affect every stage of our value chain, making OHS performance critical to resilience and long-term competitiveness.



- ➔ Poor safety practices among contractors can lead to accidents, project delays, and increased liability.
- ➔ Workplace incidents may disrupt operations, increase insurance costs, and affect employee productivity.
- ➔ Safety breaches can damage Axis-REIT's reputation, erode tenant confidence, and impact investor trust.

Effects on Strategy and Decision-Making

Recognising these impacts, we consistently integrate OHS considerations into our strategy and decision-making. Our initiatives aim to build a safety-first culture and work environment through education, training, and the implementation of our HSE Policy, ensuring compliance across all operations.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Safety Culture & Work Environment

We stipulate HSE requirements and expectations in our tender documents and require contractors and service providers to adhere to these requirements as a pre-requisite for accepting such projects. These conditions are reiterated prior to the commencement of work (pre-mobilisation), as well as throughout the duration of the project. They highlight elements of HSE planning, risk assessment and controls, operational controls, as well as verification and recommendation of continual improvements to our policies and practices.

Other initiatives to promote a safe culture and work environment include:

- Requiring contractors to furnish a Job Safety Analysis with detailed risk assessments before commencing work on a project.
- Requiring contractors to commit to HSE compliance by appointing a competent person to oversee HSE matters.

- Making our Renovation Manual accessible to all relevant parties to ensure compliance with HSE requirements.
- Checking, servicing, and calibrating electrical equipment as required by law to minimise exposure to hazards.
- Reporting the HSE performance of our operations on a monthly basis to monitor continuous compliance with our HSE Policy.
- Including flood-related incidents into HSE performance reporting.
- Performing regular technical audits and assurance to ensure buildings are maintained in good condition.
- Ensuring that monitoring procedures used for compliance checks are accessible at all sites, including vacant sites, for regular monitoring.
- Maintaining compliance records for equipment and activities in our buildings (where applicable) with relevant authorities such as the Department of Occupational Safety and Health (DOSH), Bomba, and the CIDB.
- Maintaining Personal Protective Equipment (PPE) for employees and ensuring that contractors and subcontractors working at our project sites and properties are equipped with the necessary PPE.
- Checking and maintaining medical equipment such as wheelchairs, stretchers, and first aid kits for all multi-tenanted properties.
- Providing Basic Occupational First Aid, CPR & AED training and certification for the Facilities Management Team.
- Providing Emergency Response Training for the Facilities Management Team and other relevant parties.
- Supporting tenants' health-related CSR initiatives by sponsoring the use of common areas at our multi-tenanted properties for programmes such as blood donations, wellness, and other health and safety events.

Safety Education and Training

We conduct compulsory HSE induction training for all new employees, as well as external service providers and contractors. We require training to be completed before commencing work on-site for building maintenance, servicing, and refurbishment works.

We also conduct Safety Awareness Programmes for suppliers, contractors, and tenants. In 2025, 41 training sessions were conducted, covering topics such as Safety Induction Training, Basic Occupational First Aid, CPR & AED Training, ESG Awareness for Building Management Operations Training as well as Fire Safety Awareness & Emergency Evacuation Training. A total of 967 participants attended these programmes, including employees, suppliers, contractors, and tenants. The table below summarises the health and safety training programmes conducted/attended during the year.

Course Name	Participants	Topics/Coverage	Total Number of Participants
Safety Induction (2 sessions)	New employees	Work-related hazard awareness, office safety, emergency procedures.	5
Safety Briefing (28 sessions)	Contractors, vendors, and service providers	Safety requirements, HSE Policy, legal requirements, Hazard Risk Assessments.	695
Basic Occupational First Aid, CPR & AED Training (Certificate of Proficiency)	Facilities Management Team	Essential life support techniques, including CPR and choking response, as well as first aid procedures for bleeding and wounds, burns and scalds, fractures, and spinal injuries.	36
BOMBA ERT Training (3 sessions)	Selected employees from ARMB and Facilities Management Team as well as security personnel and tenant representatives	Comprehensive knowledge for handling emergencies, including roles & responsibilities of ERT members, fire detection & alarm systems, fire fighting equipment, and evacuation procedures.	77

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Course Name	Participants	Topics/Coverage	Total Number of Participants
Fire Drill & Safety Coordinator briefing (5 sessions)	ERT members and Safety Coordinators (tenant representatives)	Coordinated briefing between building ERT members and Safety Coordinators appointed by tenants.	88
ESG Awareness for Building Management Operations Training	Facilities Management Team	Empowering Facility Managers and operations personnel to understand ESG fundamentals, recognise their role in driving sustainability, and integrate ESG principles into both daily operations and long-term planning.	38
Working at Height Awareness Training	Facilities Management Team and vendor representatives	Legal & regulatory requirements, hazard identification & risk assessment, hierarchy of control for working at height, and fall prevention & fall protection systems.	28

Financial Effects

Current Financial Effects

In FYE2025, Axis-REIT incurred routine costs for OHS compliance, including:

- Regular safety audits and inspections.
- Training programmes for employees and contractors.
- Investment in safety equipment and health monitoring systems.

These costs are considered essential preventive measures and are accounted for within operational expenditure.

Anticipated Financial Effects

If OHS risks materialise, potential financial impacts include:

- **Legal liabilities and penalties** for non-compliance with health and safety regulations.
- **Medical and compensation costs** for workplace injuries.
- **Operational disruptions** leading to project delays and reduced productivity.
- **Reputational damage**, which could indirectly affect tenant retention and investor confidence.

Such impacts could significantly increase operating costs and affect long-term profitability.

Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from OHS

We seek to strengthen resilience in OHS by maintaining compliance with regulations, conducting regular audits, and providing ongoing training for employees and contractors. Preventive measures such as risk assessments, emergency response planning, and health monitoring systems are in place to help reduce the likelihood of incidents and minimise operational disruptions.

This resilience is strongly reflected in the performance recorded during the year, with zero injury and non-injury cases, full compliance with our HSE Policy, no breaches of applicable laws and regulations, and the absence of any fines for regulatory non-compliance.

By embedding OHS considerations into daily operations and investing in safety improvements, we aim to protect the well-being of all our stakeholders, manage liabilities, and support business continuity over the long-term.

Processes, Controls and Policies to Manage Risks and Opportunities Related to OHS

Our health and safety measures comply with the laws and recommendations outlined by the Malaysian government and are designed to safeguard the well-being of employees,

tenants, suppliers, contractors, service providers, and visitors across our properties.

OHS matters are addressed through our HSE Policy, which is developed in line with Malaysia's Occupational Safety and Health Act 1994 and ISO 45001: Occupational Health and Safety Management Systems. This Policy provides a strong foundation for protecting people and stakeholders, while ensuring compliance with municipal by-laws and the regulations of authorities such as DOSH, Bomba, and other relevant agencies.

We strive not only to meet but also exceed these requirements in identifying and mitigating risks to health, safety, and well-being by:

- Demonstrating visible HSE leadership and commitment.
- Upholding excellence by adhering to codes of compliance, standards, and procedures.
- Implementing measures to prevent work-related injury, ill-health, property damage, and environmental pollution.
- Maintaining contingency measures that are tested and ready for emergencies.
- Driving continual improvement in HSE systems and enhancing employee competencies.

The Property Management Team oversees enforcement of the HSE Policy, ensuring that employees, contractors, tenants, and visitors

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

comply with stringent protocols and act responsibly when conducting business or accessing our properties.

Supporting this, a qualified HSE Manager conducts regular inspections to ensure adherence to our HSE Policy and industry best practices. The HSE Manager also ensures contractors receive safety induction training before commencing projects or AEs, and performs on-site assessments to monitor compliance with both HSE and human rights practices. Supplier obligations are embedded in our Supplier Code of Conduct, and a stop-work order is enforced whenever unsafe conditions, unsafe acts, or non-compliance are identified.

Through continuous engagement, contractors have become increasingly aligned with our policies. For example, they are now more likely to complete and document risk assessments and method statements, enabling us to monitor and evaluate their work more effectively.

Metrics and Targets

Injury Cases	2025	2024	2023
Fatalities	0 [#]	0	0
Lost time injuries (LTI)	0 [#]	2	0
Restricted work cases/medical treatment	0 [#]	0	0
First aid	0 [#]	0	0
Lost Time Incident Rate*	0 [#]	2.45	0

Note:

* The Lost Time Incident Rate is calculated by dividing the number of LTI by the total hours worked and multiplied by 200,000, as defined by GRI 403: Occupational Health and Safety 2018.

Non-injury Cases	2025	2024	2023
Fire/explosion	0 [#]	2	0
Property/equipment damage	0 [#]	0	0
Environmental pollution	0 [#]	0	0
Summons received	0 [#]	0	0

Absentee Rate	2025	2024	2023
Male	1.09 [#]	1.64%	1.12%
Female	1.08 [#]	1.04%	1.20%

Safe Days	2025	2024	2023
During the year	365/365	364/366**	365/365
Since 29 August 2019	397	32***	1,585

** 2024 was a leap year.

*** Incidents were reported on 12 March 2024 and 29 November 2024; as such, the consecutive safe day counter was reset then.

Note: Safe days are defined as days with no LTIs (LTIs are defined as incidents where a worker is injured and incapacitated for more than 4 consecutive days).

Non-compliance Incidents/Fines	2025	2024	2023
Incidents of non-compliance with HSE Policy	0	0	0
Incidents of non-compliance with applicable laws and regulations	0	0	0
Amount in fines incurred for regulatory non-compliance (RM)	0	0	0

This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

Outlook

We remain committed to strengthening our HSE practices to ensure that our properties provide safe, healthy, and conducive work environments for employees, tenants, suppliers, contractors, service providers, and visitors. In the coming year, we will continue to organise HSE-related training and events for employees and tenants of multi-tenanted properties, enhancing our responsiveness in the event of actual emergencies.

Our Facilities Management Team successfully obtained Basic Occupational First Aid, CPR, and AED certification in 2025, and as part of our future plans, we will renew this certification every three years to maintain high standards of preparedness.

Our HSSE Manager will continue to conduct periodic HSE and human rights audits to assess not only our own practices but also those of our contractors, ensuring compliance and identifying areas for improvement. In addition, we will strengthen our Emergency Response Plan for 2026 by incorporating a flood-related evacuation plan, enhancing evacuation procedures and reporting SOPs for flood events and other natural disasters. This will include close collaboration with NADMA and Bomba to study and refine flood evacuation strategies. Through these initiatives, we aim to steadily improve resilience and provide safer environments for all stakeholders.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Talent Development

Capitals

 Human

 Financial

 Intellectual

Strategic Pillars

 Governance

Business Risks

 Human Resource

UN SDGs





Description of Risks Related to Talent Development

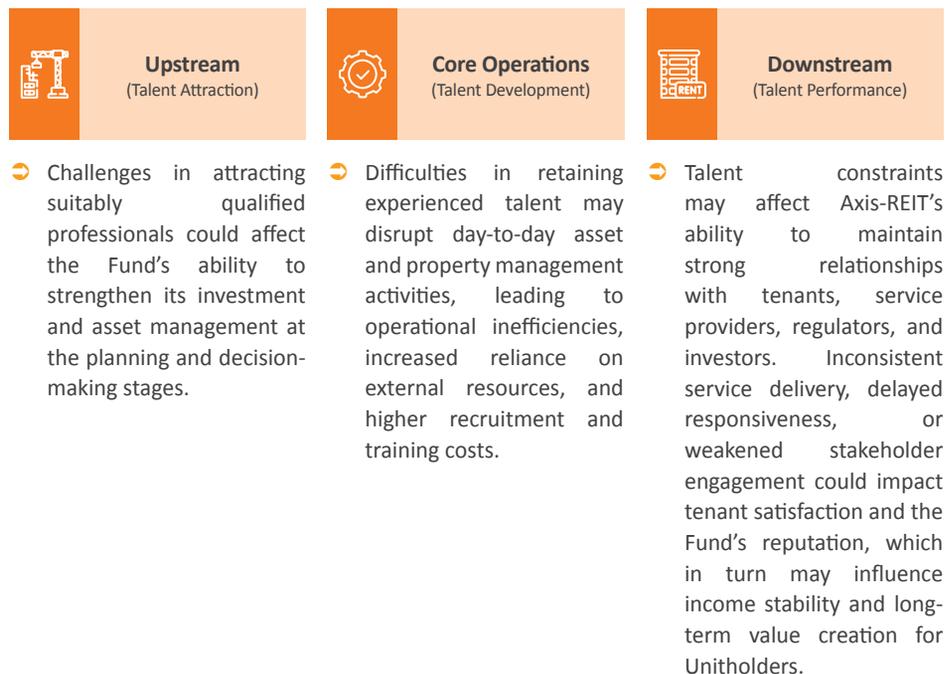
We are exposed to talent development-related risks that may affect our operational continuity, organisational capability, and long-term value creation. A key risk arises from the challenge of attracting new talent with the requisite skills, experience, and expertise to support our growing business and regulatory requirements. Heightened competition for qualified professionals within the real estate and property management sectors, coupled with changing workforce expectations, drives the Fund to build and sustain a robust talent pipeline.

In parallel, retaining existing talent is critical to maintaining business resilience and performance. The loss of experienced personnel may result in disruptions to day-to-day operations and increased recruitment and training costs. Reducing employee turnover is essential to maintain operational capabilities across the asset and property management value chain, ensuring productivity, decision-making quality, and the consistent delivery of strategic and sustainability initiatives.

These risks require careful management to safeguard the Fund’s ability to execute its strategy and deliver sustainable long-term value to Unitholders.

Effects on Business Model and Value Chain

Our talent development risks affects the Fund’s overall business model and value chain:



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

The talent development risks outlined above have direct implications on the Manager's strategic execution and decision-making quality.

To address these risks, we invest in capacity-building initiatives that strengthen our employees' industry knowledge, technological proficiency, and management expertise. By equipping our workforce with the right capabilities, the Manager aims to enhance the quality of decisions, reinforce strategic resilience, and sustain its competitive advantage in a continually evolving real estate market.

Our talent development initiatives in 2025 included:

- Conducting annual performance appraisals for all employees, assessing their achievements, career needs, and plans. The appraisal process allowed us to track employee strengths and weaknesses, identify the best candidates for career progression, and offer feedback for areas of improvement. Performance evaluations of the Board, Senior Management and the Manager, Corporate Communications & Sustainability included assessments against sustainability KPIs with financial and non-financial consequences. This demonstrates our commitment and emphasis on implementing sustainability initiatives throughout the organisation. In 2025, we conducted annual performance appraisals for 100% of our employees.
- Providing both general learning opportunities for all employees as well as targeted learning programmes. This initiative aimed to address any competency gaps and to align our employees' skillsets and capabilities with their personal ambitions and professional needs.
- Assigning a 'buddy' for all new employees, creating a support system to help newcomers acclimatise to their new roles.
- Providing training opportunities for employees, including:
 - **Compliance training:** Continuous training on PDPA, HSE Policy, ACF Policy, and other pertinent policies and guidelines.
 - **Sexual harassment awareness:** Launched a customised e-learning module in October 2025 to provide employees with accessible, interactive training to recognise, prevent, and appropriately address incidents of harassment, reinforcing the Fund's ethical standards and promoting a culture of inclusivity and respect throughout the organisation.
 - **Cybersecurity training:** Launched new training modules in April 2025 to enhance organisational resilience against cyber threats. These online interactive modules were delivered continuously throughout the year, enabling employees to build awareness of emerging cyber risks, adopt best practices, and strengthen the Fund's overall information security capabilities. Additionally, phishing simulations were sent out to gauge employee alertness in identifying suspicious emails.
 - **Emergency response:** Conducted ERT BOMBA training and first aid competency training in April 2025 to equip the Facilities Management Team with the necessary skills and

knowledge to effectively respond to emergencies, leveraging technology to enhance safety protocols and regulatory compliance across the Fund's properties. We also organised CPR and AED awareness as well as emergency response courses to equip employees with lifesaving knowledge.

Employee Training Programmes

In 2025, we engaged external parties comprising subject matter experts, qualified technical trainers, and relevant regulatory authorities to deliver courses across a broad range of topics for our employees. These courses aimed to facilitate the development of a well-rounded workforce that will strengthen our operations.

At a time where sustainability has been a focus across all industries, ensuring the resilience of the Fund has been our top priority. ESG-related workshops and courses were conducted to improve our internal ESG capabilities and meet the demands of the market. Cybersecurity awareness training has also been vital in ensuring our employees have the technical proficiency to safeguard our data from potential breaches. The courses conducted covered a broad range of topics, including essential security, email security, introduction to phishing, malware attacks, and mobile device security.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Types of Training Programmes	Type of Programme (Internal/ External)	Platform (Physical/ Virtual)	Frequency	Target Group	Number of Participants
ERT Training	External	Physical	Yearly	Facilities Management and Project Management Team	45
IFRS S1 & S2 Training	External	Physical	Yearly	HODs and the Managers	14
Basic Occupational First Aid, CPR & AED Training	External	Physical	Ad-hoc	Facilities Management and Project Management Team	35
Cybersecurity Awareness Training	External	Virtual	Quarterly	All corporate email users	61
ESG Awareness for Building Management Operations Training	External	Physical	Ad-hoc	Facilities Management Team	38
PDPA and ACF Policy Online Refresher Training	External	Virtual	Annual	All employees	81
Sexual Harassment Awareness Training	External	Virtual	Annual	All employees	81

Financial Effects

Current Financial Effects

Current financial impacts related to talent development are primarily associated with ongoing training, skills enhancement programmes, professional certifications, and performance management initiatives. These expenditures support employee capability building, compliance-related learning, and leadership development. As the Manager operates with a lean workforce, talent-related costs remain proportionate and manageable, and no material financial losses or disruptions were incurred as a result of talent development activities.

Anticipated Financial Effects

Future financial effects may arise from expanded training requirements, upskilling for emerging competencies, and succession planning investments as regulatory, technological, and sustainability expectations evolve. Additional resources may have to be allocated to attract and retain specialised talent in leasing, investment, finance and facilities management, alongside areas such as sustainability reporting, digitalisation, and risk management. These functions are critical to maintaining income stability, optimising portfolio performance, ensuring operational efficiency, and strengthening governance, all of which directly support the Fund's strategy and long-term value creation. While these costs may increase over time, they are projected to enhance workforce capability, strengthen

operational resilience, and support long-term organisational performance.

Resilience of the Fund's Strategy and Business Model Regarding Risks Arising from Talent Development

We strengthen the resilience of our business model by embedding talent development into strategic workforce planning and daily operations. Through structured training programmes, mentoring, and succession planning, the Manager ensures continuity of skills and knowledge that are critical to asset management, property operations, and stakeholder engagement. Proactive measures, including regular performance assessments, career development pathways, and targeted upskilling initiatives help mitigate the risks of talent shortages and high turnover. By investing in employee growth and retention, we maintain operational stability, safeguard institutional knowledge, and reinforce our capacity to execute strategic and sustainability objectives, thereby supporting long-term value creation for Unitholders.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Talent Development

We continue to uphold a talent development approach that takes a proactive stance in identifying, nurturing, and rewarding talent across all employee levels and categories. This involves recognising talent, building

competencies via training programmes, rewarding accomplishments, and providing feedback for further improvement and growth.

Our training programmes aim to enhance and update the skills of our employees to ensure they can adapt to the evolving business environment in which the Fund operates. We believe this will facilitate the development of diversity and depth in our talent pool and build a robust pipeline for internal hiring and succession planning, while also minimising the risks associated with talent departure.

The Human Resource Department and Heads of Departments (HODs) are responsible for identifying, developing, and implementing training programmes for their respective team members. We conduct internal mentoring and coaching programmes, and organise external training by industry experts, to deliver courses across a broad range of topics.

We ensure all our employees participate in annual performance appraisal, which provide a structured opportunity to evaluate individual performance, recognise achievements, set goals, offer constructive feedback, and ascertain training needs for further talent development. This facilitates open communication between employees and management and helps our employees understand and align their individual contributions and career progression with the Fund's targets.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

In addition to the lasting benefits of an upskilled workforce to the Fund’s operational performance, we believe this approach delivers intrinsic value to our employees by providing a pathway for personal development and career advancement opportunities, which in turn fosters employee engagement, motivation, productivity, and loyalty.

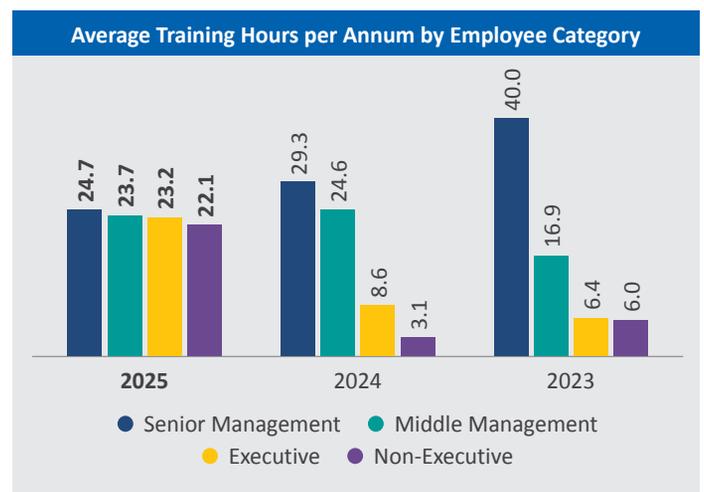
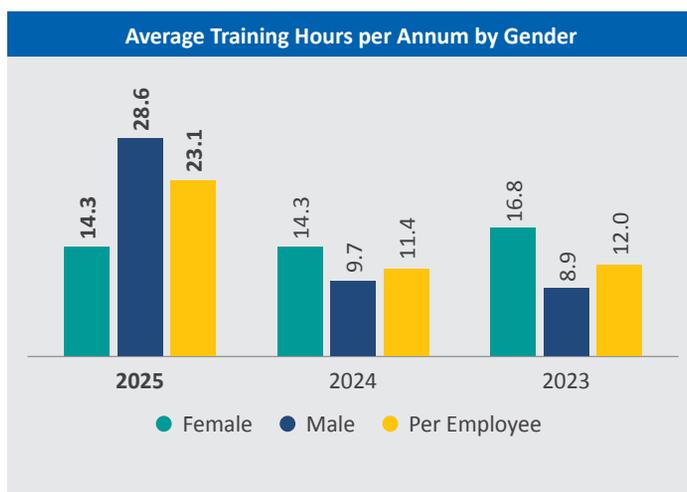
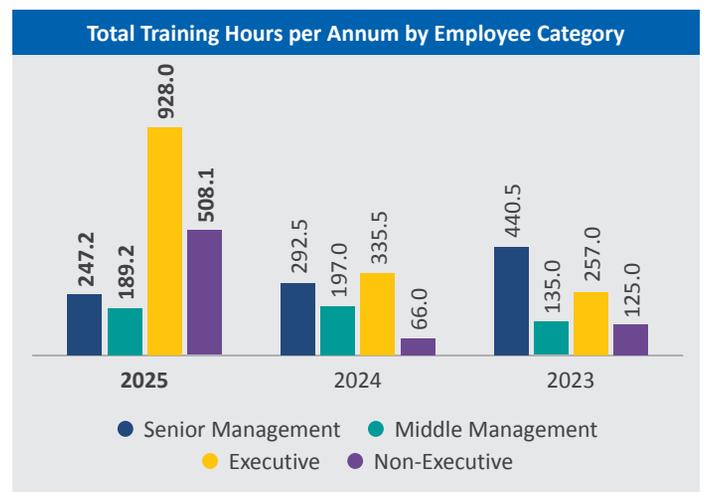
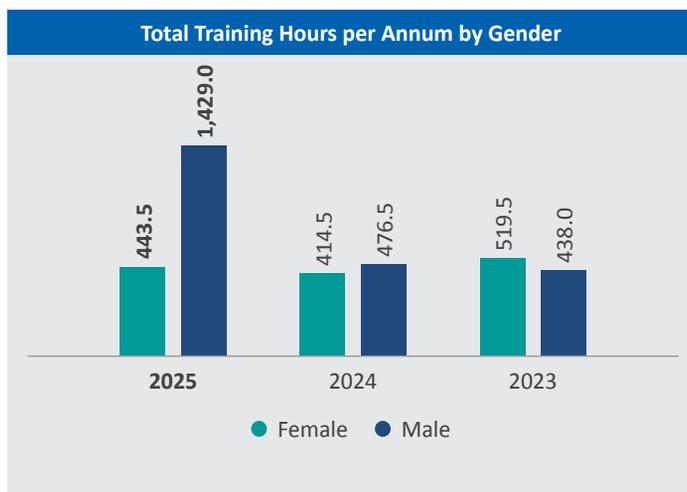
Metrics and Targets

EMPLOYEE TRAINING Target:
To ensure all employees attend at least **1 training programme a year**



In 2025, 81 employees completed a total of 1,872.5 training hours, equivalent to an average of 23.1 training hours per person. This was around a 110% increase from the average of 11.4 hours of training per employee recorded in 2024. The significant rise in training hours was largely due to two extensive multi-day training programmes conducted for the Facilities Management Team in 2025. The team typically records higher training hours because these programmes are more technical and operational in nature. The team also has a predominantly male workforce, which is reflective of job requirements.

The breakdown of average training hours by gender and employment category are as shown in the following tables:



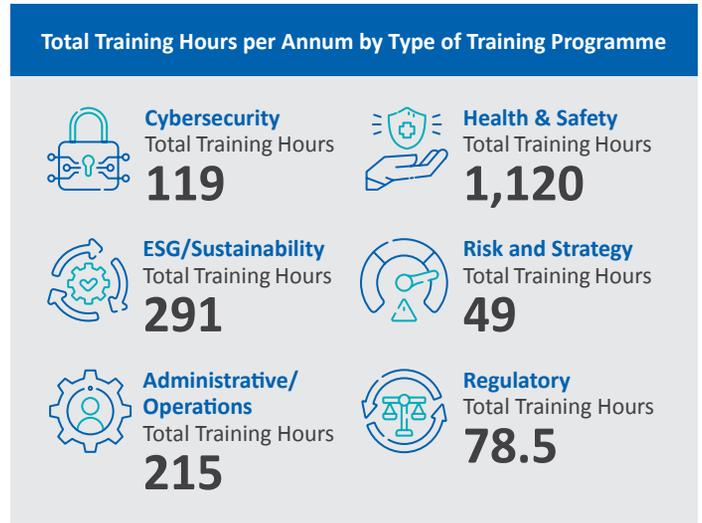
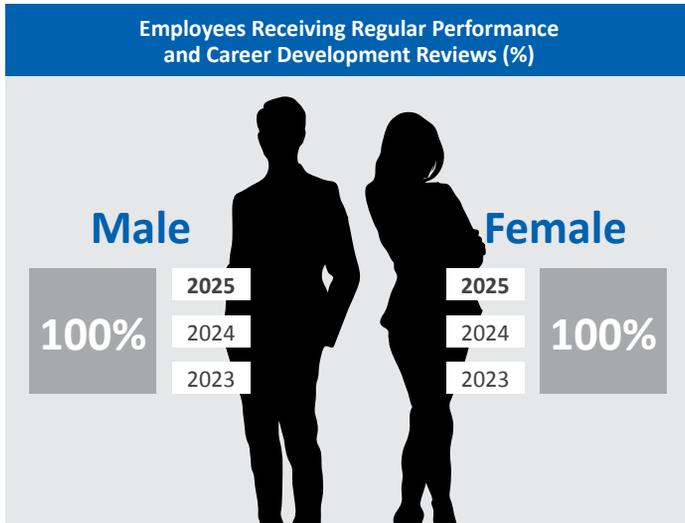
Note:

1. Average training hours per employee by gender is calculated based on the methodology prescribed by the GRI Standards.

Note:

1. Average training hours per employee by gender is calculated based on the methodology prescribed by the GRI Standards.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Outlook

Moving forward, the Manager will continue to strengthen human capital capabilities through targeted talent development initiatives aligned with the Fund’s strategic and sustainability objectives. A key priority in the coming year is to enhance the competencies of both Board members and employees via upskilling sessions on sustainability reporting, regulatory requirements, and governance standards. Annual mandatory training will also be conducted on the ACF Policy and PDPA, while integrity training and assessments will be explored to further reinforce ethical awareness and accountability across the organisation.

The Manager remains committed to developing future-ready talent by identifying high-potential employees and supporting their career growth through specialised training, professional certifications, and structured learning pathways. Efforts will also focus on attracting younger talent to strengthen succession planning and ensure leadership continuity. In parallel, the Manager will continue to prioritise employee well-being through at least two health and wellness training sessions annually and by maintaining its subscription to an interactive cybersecurity awareness programme. Collectively, these initiatives aim to build a capable, resilient, and engaged workforce that will underpin Axis-REIT’s long-term performance and value creation.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Diversity and Inclusion

Capitals

- Human
- Financial

Strategic Pillars

- Governance

Business Risks

- Human Resource

UN SDGs



Description of Risks Related to Diversity and Inclusion

The Manager is exposed to several risks related to diversity and inclusion that may affect its ability to support Axis-REIT’s long-term performance. Limited diversity or lack of inclusive practices could affect our capacity to attract, develop, and retain a broad range of skills, experiences, and perspectives. Fostering diversity and inclusion is therefore essential to maintaining creativity, innovation, and high-quality decision-making, as well as the Manager’s agility in responding to evolving business needs and stakeholder expectations.

In addition, strong diversity and inclusion practices are vital to creating a conducive and engaging working environment. When employees feel undervalued, excluded, or disconnected this may affect morale, collaboration, and overall well-being, potentially leading to reduced productivity, lower organisational cohesion, and higher turnover within the Manager.

Collectively, these risks may lead to a workforce that is less innovative, less adaptable, and ultimately less competitive. Sustaining commitment to inclusive practices allows the Manager to maintain operational

excellence, support Axis-REIT’s performance, and compete effectively for high-quality talent in an increasingly diverse and dynamic market landscape.

At the same time, strengthening diversity and inclusion presents opportunities for the Manager to enhance workforce engagement, broaden talent pipelines, and improve decision-making through a richer mix of perspectives.

Effects on Business Model and Value Chain

These risks may affect various components of Axis-REIT’s business model and value chain:



- ➔ How the Manager attracts and evaluates prospective talent has a bearing on diversity and inclusion in the workforce. Limited access to diverse candidate pools or non-inclusive hiring practices may restrict our ability to build a workforce with varied perspectives, skills, and experiences. Such gaps may hinder long-term organisational capability, slow innovation, and weaken our capacity to support overall operational and strategic priorities.
- ➔ Within the Manager, a non-inclusive working environment may impact employee engagement, hinder collaboration, and weaken overall productivity. This could compromise the Manager’s ability to maintain strong tenant relationships and ensure consistent execution of operational, compliance, and sustainability initiatives on behalf of Axis-REIT.
- ➔ Reduced workforce engagement within the Manager may limit innovation, service responsiveness, and the ability to meet tenant, investor, and regulatory expectations. This may affect portfolio performance, income stability, and the broader reputation of Axis-REIT within the market.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Effects on Strategy and Decision-Making

Building on the diversity and inclusion risks outlined above, the Manager continues to embed diversity and inclusion principles into our strategic and operational decision-making processes. This strengthens organisational resilience, supports Axis-REIT's long-term performance, and fosters a workplace culture that attracts, develops, and retains diverse talent.

Embedding Diversity and Inclusion into Organisational Practices

In upholding our commitment to diversity and inclusion, the Manager ensures that employee benefits and entitlements are equitable for all employees, regardless of gender, race, or employment type. This includes comprehensive coverage such as group personal accident insurance, disability and invalidity protection, as well as medical and hospitalisation benefits.

We strive to maintain a workforce that encompasses a variety of genders, ethnicities, backgrounds, age groups, and leadership styles. We recognise that different perspectives and experiences can contribute positively to how we work and make decisions. Our aim is to provide a supportive and respectful employee experience, with attention to well-being, fair opportunities, and an inclusive environment where employees feel encouraged to contribute to our operational, environmental, and social responsibilities.

Strengthening Diversity and Inclusion in Governance

At the governance level, the Manager has achieved 50% female representation on the Board since 2023, surpassing the 30% target recommended by the MCCG. This outcome reflects the Manager's proactive approach in promoting gender diversity at the leadership level. A more diverse Board enhances decision-making quality, broadens perspectives, and supports stronger oversight of strategic matters.

Employee Engagement, Development, and Well-being

In both 2024 and 2025, the Manager advanced employee engagement and well-being through a series of activities designed to promote

teamwork, trust, and a healthy work culture. These included pickleball events, ERT BOMBA training, Basic Occupational First Aid, CPR & AED certification, and customised ESG awareness training for building management operations. Programmes were selected based on employee feedback to ensure relevance and stronger participation.

In 2025, engagement efforts were further strengthened through our 20th anniversary dinner and a company trip, which reinforced camaraderie, cross-team cohesion, and a sense of belonging. These initiatives provided meaningful opportunities for employees to connect, collaborate, and celebrate shared achievements outside the workplace.

The Manager also maintains an open-door policy, encouraging employees to voice suggestions and concerns directly to their supervisors without fear of discrimination. This approach supports transparent communication and ensures that employee feedback is incorporated into workplace improvements.

Employee Engagement and Satisfaction

To support informed, employee-centred decision-making, the Manager conducts an Annual Employee Satisfaction Survey with a target of achieving a score above 80%. The survey provides valuable insights into engagement levels, workplace satisfaction, and developmental aspirations. These insights are integrated into strategic planning and operational initiatives, including enhancements to employee engagement programmes, training and development efforts, and workplace policies. This ongoing feedback loop ensures that our human capital strategies remain aligned with organisational objectives and evolving employee expectations.

Financial Effects

Current Financial Effects

Current financial impacts related to diversity and inclusion are modest and primarily linked to ongoing initiatives such as training on inclusive workplace practices, updates to relevant policies, and the implementation of fair and transparent hiring processes. Expenditures also cover engagement activities that promote an equitable work environment.

These costs are proportionate to the Manager's lean workforce, and no material financial losses associated with diversity and inclusion matters have been recorded.

Anticipated Financial Effects

Future financial effects may arise from strengthened diversity and inclusion commitments, including expanded capability-building programmes and investments in governance processes that support an inclusive culture. Additional spending may be required to adopt evolving best practices, maintain regulatory alignment, and ensure equitable opportunities across the organisation. While such costs may increase gradually, they are projected to support long-term organisational resilience, improve employee engagement, and reduce potential risks associated with talent retention and workplace equity.

Resilience of the Fund's Strategy and Business Model in Relation to Risk Related to Diversity and Inclusion

The Fund's strategy remains resilient to diversity and inclusion risks through the Manager's ongoing efforts to uphold sound governance practices, fair employment standards, and initiatives that support an inclusive work environment. The Manager maintains clear expectations on non-discrimination, transparent recruitment processes, and accessible channels for raising concerns, reducing workplace-related disruptions and maintaining stakeholder confidence.

These measures contribute to a stable and engaged workforce within the Manager, supporting the Fund's long-term operational continuity and strategic objectives while ensuring that day-to-day operations are carried out in a responsible and considerate manner.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Diversity and Inclusion

The Manager's approach to managing risks and opportunities related to diversity and inclusion is supported by key internal policies, including the Code of Conduct, Personnel Policy Handbook, and the Board Charter. These documents guide how we maintain a fair,

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

respectful, and inclusive workplace in support of Axis-REIT’s operations.

The Code of Conduct sets clear expectations on respect, equality, and non-discrimination. It emphasises treating all employees with dignity and making employment decisions based on merit, without discrimination relating to race, religion, gender, age, nationality, or disability. The Code also highlights the importance of fostering a sense of belonging and encourages equal opportunities in training, development, and career progression.

The Personnel Policy Handbook reinforces these principles by outlining employee benefits and entitlements, and providing guidance on maintaining an inclusive workplace with fair access to development opportunities. Together, these policies help the Manager apply consistent practices and minimise risks related to discrimination or inequitable treatment.

These commitments also shape our talent development approach, where the Manager

adopts a measured and supportive process for identifying and developing employees across different levels, helping the workforce remain adaptable to the evolving business environment in which the Fund operates.

At the governance level, The Board Charter formalises the Manager’s commitment to maintaining at least 30% female representation on the Board and supporting a balanced mix of perspectives among its members.

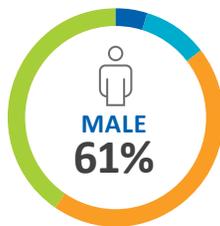
Targets & KPIs

Our efforts to promote diversity and inclusion are reflected in the reasonably balanced ratio of female to male employees within the organisation. While male employees make up 62% of the workforce and female employees 38%, women are comparatively well represented at the senior management level, where 10% of our female employees hold senior roles, compared with 2% of men. The majority of our workforce falls between the 30-50 age range, bringing a depth of experience and practical knowledge gained over years in the industry. To further strengthen our inclusive culture and encourage greater collaboration, the Manager plans to organise at least two employee group activities each year to enhance engagement and team cohesion.

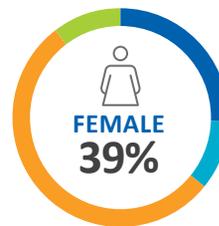
Gender Composition by Employee Category

2025

Total headcount as at 31 December: **81**



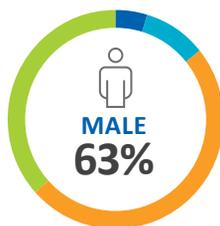
Senior Management	2%
Middle Management	6%
Executive	28%
Non-Executive	25%



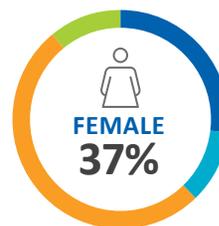
Senior Management	10%
Middle Management	4%
Executive	21%
Non-Executive	4%

2024

Total headcount as at 31 December: **78**



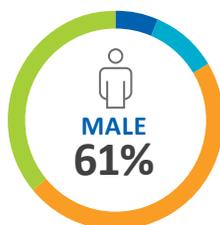
Senior Management	3%
Middle Management	6%
Executive	31%
Non-Executive	23%



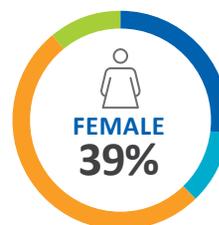
Senior Management	10%
Middle Management	4%
Executive	19%
Non-Executive	4%

2023

Total headcount as at 31 December: **80**



Senior Management	4%
Middle Management	6%
Executive	29%
Non-Executive	22%



Senior Management	10%
Middle Management	4%
Executive	21%
Non-Executive	4%

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Age Group Composition by Employee Category

2025

Total headcount as at 31 December: **81**



2024

Total headcount as at 31 December: **78**

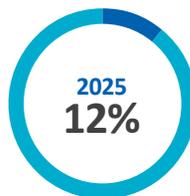


2023

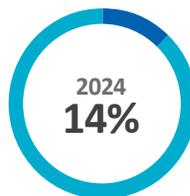
Total headcount as at 31 December: **80**



Percentage of Employees Under Contract/Temporary Employees



No. of contract/
temporary employees 10
No. of employees 81



No. of contract/
temporary employees 11
No. of employees 78



No. of contract/
temporary employees 10
No. of employees 80

Note: The percentage of contract/temporary employees is the number of contract/temporary employees expressed as a percentage of the total number of employees.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Total Number of New Hires by Employee Category

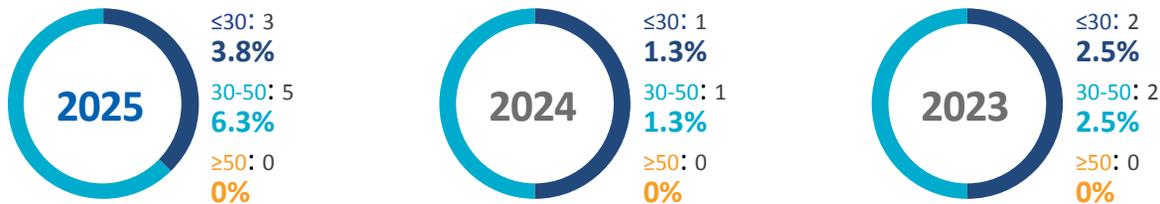


New Hires by Gender



Notes:
 1. The New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.
 2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
 3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

New Hires by Age Group



Notes:
 1. The New Hires Rate is the total number of new employees hired during the year, expressed as a percentage of the average number of employees.
 2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
 3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

Percentage of Senior Management that are locally hired

100%

Percentage of employees that are locally hired

100%

Employee Turnover by Employee Category



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

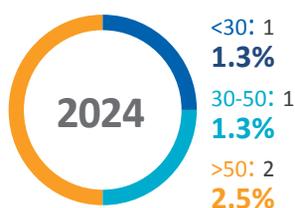
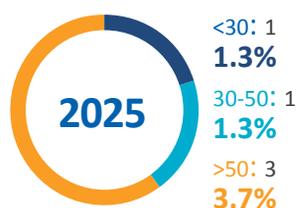
Employee Turnover Rate by Gender



Notes:

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

Employee Turnover Rate by Age Group



Notes:

1. The Employee Turnover Rate is the number of employees who left the organisation during the year, expressed as a percentage of the average number of employees during the year.
2. The average number of employees is the average of the number of employees at the beginning of the year (1 January) and at the end of the year (31 December).
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

Parental Leave Statistics by Gender

	2025		2024		2023	
	Male	Female	Male	Female	Male	Female
No. of employees entitled to parental leave	50	31	49	29	49	31
No. of employees who took parental leave	1	1	2	2	1	0
No. of employees that returned to work in the reporting period after parental leave ended	1	1	2	2	1	N/A
No. of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	1	N/A	2	1	1	N/A

Ratio of Basic Salary and Remuneration of Male to Female Employees (Gender Pay Gap)

	2025	2024	2023
Senior Management	1.0 : 1.7	1.0 : 1.3	1.0 : 1.1
Middle Management	1.0 : 1.1	1.0 : 1.1	1.0 : 1.1
Executive	1.0 : 0.8	1.0 : 0.9	1.0 : 0.8
Non-Executive	1.0 : 0.7	1.0 : 0.6	1.0 : 0.6

Notes:

1. Data is based on basic salaries only as at December of each year.
2. Calculated by indexing the average male employee's basic emoluments to 1 and comparing it to the average female employee's basic emoluments as a proportion of this.
3. The tabulated figures have been rounded to the nearest 1 decimal place for standardisation and better data accuracy.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Type of Employee Engagement and Well-Being Programmes

	Frequency	Target Group
Annual Dinner	Annual	All employees
Company Trip	Annual	All employees
Long Service Award	Annual	Eligible employees
Axis Education Fund	Annual	Eligible employees' children
ERT BOMBA Training	Ad-hoc	Property Management Team
Basic Occupational First Aid, CPR & AED Training	Ad-hoc	Property Management Team
Sports sessions (e.g. Pickleball)	Ad-hoc	All employees



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Outlook

Looking ahead, the Manager remains committed to cultivating an inclusive, supportive, and engaging work environment where employees are encouraged to grow, contribute, and perform effectively. In the coming year, we will continue to focus on initiatives aimed at developing employees with high potential and providing them with opportunities for future career progression, helping the workforce adapt to evolving business needs.

The Manager will also continue to prioritise employee well-being by organising wellness programmes and health awareness sessions to bolster a healthy and balanced working environment. In addition, we will maintain efforts to promote a diverse and gender-balanced workforce by attracting talent from a broad range of backgrounds and experiences.

Through these ongoing initiatives, the Manager aims to enhance employee engagement, strengthen workforce capabilities, and support the long-term sustainability and resilience of Axis-REIT's operations.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Human Rights & Labour Practices



Capitals

Social & Relationship

Strategic Pillars

Facilities Management Development
 Governance

Business Risks

Global Human Resource Real Estate Management

UN SDGs



Description of Risks Related to Human Rights and Labour Practices

The Manager upholds strong standards for labour practices and human rights across our operations and supply chain. While the REIT business model does not require a large workforce, we remain committed to ensuring that all employees and contracted personnel are treated fairly, ethically, and with respect. We maintain a zero-tolerance approach to forced labour, child labour, and any form of exploitation, and we expect full compliance with these principles from all service providers, contractors, and suppliers.

We acknowledge the potential for human rights and labour-related risks arising from our reliance on third-party providers within our value chain, including for property management, maintenance, and security services. These include risks of inadequate worker welfare, non-compliance with labour regulations, unsafe working conditions, and excessive working hours. To manage these risks, we conduct due diligence on key vendors, incorporate labour and human rights expectations into procurement and contract terms, and require adherence to applicable laws and ethical standards.

These measures help ensure that individuals supporting our business — whether directly employed or engaged through external partners — operate in a safe, fair, and responsible employment environment.

Effects on Business Model and Value Chain

These risks from reliance on third-party service providers affect Axis-REIT across the value chain:



- ➔ Labour and human rights risks primarily arise from the involvement of third-party service providers in property management and maintenance. Non-compliance with labour standards or poor worker welfare practices could disrupt service delivery and create reputational or regulatory exposure.
- ➔ Although we have a small internal workforce, gaps in oversight or human rights governance may affect the effectiveness of monitoring and managing labour-related risks across the supply chain.
- ➔ Poor labour conditions among contractors operating at the Fund's properties may influence tenant perceptions and stakeholder trust, as expectations for ethical and responsible practices continue to increase.

Effects on Strategy and Decision-Making

We continued to uphold human rights and fair labour practices during the year under review by conducting on-site human rights assessments of registered key vendors. Registered key vendors assessed in 2025 included contractors providing AEI work, facility maintenance work, and cleaning

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

services. No human rights-related risks, including child labour, forced, or compulsory labour, were identified across the operations assessed. These assessments inform our vendor management decisions and ensure that our supply chain practices align with our human rights commitments.

In 2025, we also conducted on-site human rights assessments on suppliers that worked on six key AEsI.

Financial Effects

Current Financial Effects

Current financial impacts are limited to routine expenditures associated with vendor due diligence, contractual compliance reviews, and workforce-related governance activities. No material financial losses related to labour or human rights non-compliance have been incurred.

Anticipated Financial Effects

Future financial effects may arise from enhanced labour and human rights compliance requirements, including the need for strengthened third party oversight, increased procurement scrutiny, and potential remediation measures, should non-compliance be identified. Additional administrative costs may also be incurred to support continuous monitoring and alignment in response to evolving regulatory expectations.

Resilience of the Fund's Strategy and Business Model in Relation to Risks Related to Human Rights and Labour Practices

Axis-REIT's business model remains resilient due to strong governance practices, clear expectations for ethical labour conduct, and integration of human rights considerations into procurement and vendor management. Ongoing due diligence, contractual safeguards, and monitoring processes help manage labour-related risks within the supply chain. These

measures ensure responsible value-chain practices and support long-term operational continuity as well as stakeholder confidence.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Human Rights and Labour Practices

We ensure strict compliance with the working hours, working conditions, freedom of association, and minimum wages stipulated under Malaysia's Employment Act 1955, the Occupational, Safety and Health Act 1994, and other applicable acts and regulations that address human rights in the workforce. Beyond that, we encourage a healthy work-life balance among employees and ensure that the compensation received by all employees are above the prescribed minimum wage. Additionally, we encourage our employees' involvement in community activities, provided that such activities do not create any conflicts of interest.

Our commitment to human rights and fair labour practices extends to our entire supply chain. The Supplier Code of Conduct applies the same framework to our suppliers and service providers, including contractors. We believe this is a critical component in safeguarding the reputation of the Fund.

The Supplier Code of Conduct compels our supply chain to uphold high standards of human rights and labour practices. This encompasses various behaviour, policies, and practices that our suppliers and service providers must adhere to, including fair labour practices, human rights considerations, and health and safety policies. It also references our Whistle-Blowing Policy for reporting any incidents of non-compliance, including any unlawful or unethical business practices that contradict the framework.



Details on how we communicate and enforce the Supplier Code of Conduct are presented in the Responsible Supply Chain sustainability matter.

Our Property Management Team conducts annual compliance assessments of our suppliers and service providers to ensure alignment and strict compliance with the Manager's labour practices, as well as with human rights standards and Malaysia's employment laws. Our labour practices strictly prohibit any form of child or forced labour within our business operations and across our supply chain.

The Human Resource Department is responsible for all employment-related matters, ensuring that all our employment practices strictly conform to local employment laws and labour standards.

The Manager maintains an "open door" policy, enabling employees to raise concerns regarding human rights violations directly with Senior Management. Beyond that, our Whistle-Blowing Policy establishes whistle-blowing channels that facilitate the reporting of issues such as sexual harassment, discrimination, and endangerment to health and safety, along with other misconduct and malpractices including violations of human rights and fair labour practices. Procedures for lodging and addressing grievances are formally documented in our Whistle-Blowing Policy. In instances where employees are concerned that a matter may not be properly addressed, they are encouraged to escalate their concerns to the CEO or to ARMB's Independent Non-Executive Directors, who are responsible for managing the whistle-blowing mechanism. This framework ensures that all reports are managed independently, confidentially, and with integrity, thereby reinforcing Axis-REIT's commitment to a safe, ethical, and responsible workplace.



For further details on Axis-REIT's Code of Conduct, Supplier Code of Conduct, and Whistle-Blowing Policy, please visit our website at www.axis-reit.com.my/investor/corporate_governance.php.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Metrics and Targets

In 2025, no incidents or grievances relating to discrimination, child labour, or forced labour were reported by employees or external parties such as suppliers and service providers, our communities, or the public. Building on this performance, Axis-REIT has established clear targets to reinforce its commitment to human rights and ESG compliance.

 **Targets:**

-  Achieving zero incidence of ESG non-compliance, including human rights and labour practices, among vendors and contractors.
-  Maintaining zero reported cases of discrimination in the workplace.

These measures demonstrate our ongoing dedication to ethical operations, responsible supply chain management, and a safe, inclusive workplace.

	Unit	2025	2024	2023
No. of substantiated complaints concerning human rights violation	Cases	0	0	0

Outlook

The Manager remains committed to protecting and upholding human rights and fair labour practices, both within Axis-REIT and across our supply chain. Moving forward, we will continue to conduct on-site human rights assessments and internal audits of registered key vendors to identify any instances of non-compliance. All findings are to be formally documented for further action, including submitted for independent verification where required. In addition, as the Fund undertakes new development projects, we will engage outsourced Internal Auditors to review our contractors' compliance with ESG requirements. These measures will help ensure ongoing adherence to human rights and labour standards, reinforce responsible supply chain management, and maintain a safe and ethical workplace.

 For more information on our supplier and service provider assessments, please refer to the Responsible Supply Chain sustainability matter on pages 121 to 124 of this Report.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



Community Activity & Partnership

Capitals

Social & Relationship

Strategic Pillars

Capital Management Governance

Business Risks

Global

UN SDGs



Description of Risks Related to Community Activity and Partnership

The Fund is exposed to various community-related risks that could primarily impact its reputation, with some potential effect on performance. A central challenge lies in meeting stakeholder expectations for meaningful CSR initiatives; misalignment may result in the Fund being perceived as performative rather than impact-driven.

At the same time, communities may become dissatisfied with social or environmental impacts arising from property development activities, such as road congestion from industrial hubs or noise and air pollution linked to AEIs or developments. These risks compound broader community-related vulnerabilities, including high CSR expenditure without clear returns, evolving ESG compliance requirements, and challenges in measuring or delivering meaningful outcomes.

In short, while community partnerships and CSR programmes can strengthen our social license to operate, poor alignment or management exposes us to reputational, financial and regulatory risks.

Effects on Business Model and Value Chain

The identified risks related to community activity and partnerships have implications across the Fund’s business model and value chain:



- Stakeholder expectations for meaningful CSR initiatives place pressure on the Fund to deliver impactful programmes that provide tangible benefits for local communities. At the same time, community dissatisfaction with social or environmental impacts can delay or complicate AEI projects and development permits or approvals, slowing project timelines and raising costs.
- CSR programmes and community engagement activities often involve extra expenditures that must be balanced against long-term strategic goals. Also, partnerships with NGOs can enhance credibility, but misalignment or ineffective execution risks reputational damage in cases where initiatives are perceived as performative rather than impactful.
- Failure to deliver authentic CSR outcomes undermines investor confidence, risking exclusion from ESG-focused funds. Negative community sentiment or perceptions of performative responsibility can also erode the Fund’s reputation.

Effects on Strategy and Decision-Making

To mitigate these risks, we proactively engage with local communities to better understand and address their needs through structured and targeted CSR initiatives. Our approach prioritises the creation of lasting positive outcomes, fostering trust and long-term relationships with particular focus on vulnerable groups within the Fund’s immediate areas of operation.

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

CSR initiatives are closely aligned with the Fund’s geographical footprint, implemented in collaboration with local NGOs to ensure relevance and effectiveness. Programmes are monitored over multiple years to assess impact and alignment with evolving community needs, ensuring benefits extend beyond the initial year of investment.

Beyond CSR activities, the Manager recognises that development projects may generate material impacts on surrounding communities. Appointed contractors are therefore required to engage regularly with community leaders to identify concerns and assess local sentiment. Contact details are displayed on construction signage to enhance transparency and accountability, facilitating direct feedback, open communication, and timely issue mitigation.

In 2025, our community initiatives focused on improving access to health services for disabled children and enhancing infrastructure for primary school students. During the year, we completed three new programmes, monitored two former programmes, and sponsored events for two NGOs:

Key programmes for 2025

ROOF REPLACEMENT AT SEKOLAH KEBANGSAAN SENTUL 1 & 2

Established in the 1940s, Sekolah Kebangsaan Sentul 1 and 2 is a mission school in Kuala Lumpur that receives only partial government funding and often relies on private sector support for repairs and facility upgrades. In 2025, the school requested assistance to repair the roof of its design and technology workshop, which was unusable since 2021 due to safety concerns.

In June, our Project Management and Sustainability teams, together with our panel contractor, conducted an assessment and confirmed that the metal roof had severely deteriorated, with leaks causing damage to the wooden structure and ceiling. To restore safe use of the workshop, we appointed a contractor to replace the roof at a cost of RM58,800. The work was successfully completed on 19 September 2025, enabling students to once again access the workshop’s learning facilities.



Before reroofing



Completion of reroofing



Handover ceremony

PHYSIOTHERAPY AND SPEECH THERAPY FOR CHILDREN WITH DISABILITIES

Persatuan Kebajikan Sayap Kasih Malaysia (formerly known as IQ70+) is a registered home for special needs children under the Ministry of Welfare Malaysia. We have partnered with the organisation since 2022, sponsoring access to essential health services for children with physical disabilities.

In 2025, we extended our support by sponsoring weekly physiotherapy and speech therapy sessions for a 12-month period from September 2025 to August 2026. This initiative currently benefits seven children receiving physiotherapy and five children receiving speech therapy. The sessions are conducted by professionally trained therapists from Pantai Hospital Kuala Lumpur, who provide house visits for the children’s convenience. Payments amounting to RM113,760 were made directly to the hospital, and we continue to monitor utilisation to ensure effective delivery of care.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS



BLOOD DONATION CAMPAIGN

On 12 March 2025, in collaboration with the National Blood Centre, we organised a blood donation drive for tenants, employees and visitors at Menara Axis. The Fund waived the daily rental fees for the use of the building's foyer and electrical plug points needed for the event. The drive drew blood donations from 29 eligible donors, with each donation having the potential to save up to three lives.



Non-profit event sponsorships in 2025

In 2025, we continued to strengthen partnerships with NGOs by sponsoring key fundraising events. These contributions provided direct financial support to the NGOs and reinforced our commitment to community engagement and philanthropy.



YAYASAN WWRC ANNUAL CHARITY DINNER

The Fund sponsored one table at the Yayasan WWRC Annual Charity Dinner, contributing to the foundation's fundraising efforts in support of its charitable programmes.



ORPHANCARE FUNDRAISING CHARITY MOVIE PREMIERE

The Fund sponsored seats at OrphanCare's Fundraising Charity Movie Premiere, helping the organisation raise funds to sustain its initiatives for orphaned or abandoned babies and children.

Impact monitoring of previous programmes



DONATION OF DIALYSIS AND ULTRASOUND MACHINES TO NATIONAL KIDNEY FOUNDATION (NKF) MALAYSIA

NKF Malaysia, a non-profit organisation established in 1969, provides dialysis treatment to patients with end-stage kidney failure who cannot afford care. In 2024, we donated three dialysis machines and one ultrasound imaging machine to its centres in Selayang and Petaling Jaya.

In 2025, monitoring and evaluation of the initiative revealed that the donated machines supported a total of 2,592 dialysis sessions. This demonstrates that the initiative had a measurable impact in expanding NKF Malaysia's treatment capacity and improving patient outcomes.

For the next four years, we will continue to work closely with NKF Malaysia to track the performance of the donated equipment, evaluate patient outcomes, and use these findings to design more effective and impactful CSR programmes in the future.



AMBULANCE DONATION TO ST. JOHN AMBULANCE OF MALAYSIA (SJAM)

In 2022, we partnered with SJAM to sponsor an ambulance for its operations in Sabah. The vehicle was fabricated in compliance with standards set by the Ministry of Health, officially handed over in June 2023 at SJAM's headquarters in Cheras, Kuala Lumpur. The ambulance was shipped to Kota Kinabalu in October 2023 following the completion of permits and registrations, and became fully commissioned in November 2023 to support emergency medical services at Queen Elizabeth Hospital.

While 2025 saw no additional investments, we continued to engage with SJAM to monitor the utilisation of the ambulance and assess its long-term impact. During the year, the ambulance successfully transported 173 patients, underscoring its vital role in strengthening emergency response capacity in Sabah.



MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Financial Effects

Current Financial Effects

In the current financial year, we incurred modest costs associated with community investment and CSR initiatives. These included contributions to local programmes and engagement activities with local communities. These expenses are accounted for within approved budgets and are considered essential for maintaining positive stakeholder relationships and regulatory goodwill.

Anticipated Financial Effects

Potential financial impacts if stakeholder expectations for CSR activities increase or community dissatisfaction escalates due to issues such as environmental concerns include:

- **Higher CSR expenditure** to address community needs and enhance social license to operate.
- **Additional costs** for implementing mitigation measures (e.g. environmental safeguards).
- **Reputational risk**, which could indirectly affect investor confidence and tenant attraction, and lead to potential revenue implications.
- **Regulatory or legal costs** if community grievances result in formal complaints or enforcement actions. These impacts could increase operational costs and affect project timelines if not managed proactively.

Resilience of Our Strategy and Business Model Regarding Risks Arising from Community Activity and Partnership

The initiatives outlined above are grounded in initial needs assessment and ongoing dialogue with NGO partners to identify the most impactful projects, demonstrating the resilience of our strategy. By

aligning programmes with our geographical presence, we ensure that community investments remain connected to the areas in which we operate, thereby reinforcing relevance. Continuous monitoring and evaluation also allow us to track utilisation, assess outcomes, and provide assurance that these initiatives deliver sustained benefits well beyond the initial year of investment.

Processes, Controls and Policies to Manage Risks and Opportunities Related to Community Activity and Partnership

The Corporate Communications and Sustainability Team drives the Manager's community activity and partnership efforts, spearheading initiatives to identify, engage, and assist communities in need, while proposing suitable CSR programmes for the Fund. The ACF Policy sets out clear processes to ensure integrity and accountability in all sponsorships and donations.

Requests for sponsorships or donations are subject to careful evaluation, where employees are required to exercise good judgment and conduct due diligence on beneficiaries and programme objectives. Contributions should not be made to any organisation found to be controlled or influenced by political parties or officials.

To safeguard transparency and governance, charitable contributions, sponsorships, and CSR activities are reviewed by the CEO and require approval from the Executive Committee, the Board and the Trustee.

To further strengthen credibility, CSR investments and beneficiary numbers undergo independent assurance, confirming the veracity of our disclosures and reinforcing confidence in our reporting.

Metrics and Targets

Initiatives	Amount Invested in 2025 (RM '000)	Outcome	No. of Beneficiaries in 2025
Roof Replacement at Sekolah Kebangsaan Sentul 1 & 2	59 [#]	Replaced the roof of the design and technology workshop, restoring safe access for students	337 ^{1#}
Sponsorship of health services for children with disabilities at Persatuan Kebajikan Sayap Kasih Malaysia	114 [#]	Provided children with disabilities access to 48 physiotherapy and 48 speech therapy sessions over 12 months	12 ^{2#}
Blood donation campaign	N/A ³	A total of 29 eligible donors gave blood during this campaign	87 ^{4#}
Sponsorship at Yayasan WWRC Annual Charity Dinner	6 [#]	Contributed to support Yayasan WWRC's charitable programmes	1 ^{5#}
Sponsorship of OrphanCare's Fundraising Charity Movie Premiere	5 [#]	Contributed to help sustain OrphanCare's initiatives for orphaned or abandoned babies and children	1 ^{6#}

MANAGEMENT OF MATERIAL SUSTAINABILITY MATTERS

Initiatives	Amount Invested in 2025 (RM '000)	Outcome	No. of Beneficiaries in 2025
Donation of medical equipment to NKF Malaysia	N/A ⁷	3 dialysis machines and 1 ultrasound machine donated to NKF dialysis centres in Selayang and Petaling Jaya since 2024	2,592 ⁸
Donation of an ambulance to SJAM	N/A ⁹	Provided an emergency ambulance service based in Kota Kinabalu since November 2023	173 ^{10#}

¹ Beneficiaries are calculated as the number of students that are able to utilise the newly operational design and technology workshop.

² Beneficiaries are calculated as 7 children benefitting from physiotherapy and 5 children benefitting from speech therapy.

³ Axis-REIT sponsored the use of the foyer at Menara Axis for the blood donation campaign, waiving the rental and normal daily charges.

⁴ This estimate is based on the volume of blood from 29 eligible donors and information provided by the National Blood Centre of Malaysia that each donation can save up to 3 lives.

⁵ The beneficiary count reflects Yayasan WWRC as the direct recipient of the sponsorship, as the number of individuals who may directly benefit cannot be determined.

⁶ The beneficiary count reflects OrphanCare as the direct recipient of the sponsorship, as the number of individuals who may directly benefit cannot be determined.

⁷ The investment for this initiative was incurred and reported in 2024 and is therefore not repeated here.

⁸ Beneficiaries are calculated as the number of dialysis sessions for the 3 dialysis machines, from January to December 2025. This does not include the use of the ultrasound machine as it is a supplementary instrument that is only used when there are difficulties in detecting patients' veins.

⁹ The investment for this initiative was incurred and reported in 2022 and is therefore not repeated here.

¹⁰ Number of patient beneficiaries of the ambulance service from January to December 2025.

Community Activity & Partnership Statistics	2025	2024	2023
Total amount invested in CSR (RM'000)	184 [#]	201	181
Total number of beneficiaries	3,203 [#]	978	85

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

Outlook

We remain committed to our role as a responsible corporate citizen and will continue investing in initiatives that deliver long-term benefits to vulnerable communities. In 2026, RM200,000 has been allocated to community investment programmes, with a focus on improving access to health services for children and other underprivileged groups within our key operational areas.

We will sustain regular engagement with surrounding communities to deepen our understanding of local social and environmental issues. We will also formalise the community engagement process for property developments, ensuring concerns are addressed promptly and effectively.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

To RHB Trustees Berhad (“Trustee”), as Trustee of Axis Real Estate Investment Trust (“Axis-REIT”) and the Board of Directors of Axis REIT Managers Berhad (“Manager”), as the Management Company of Axis-REIT.

Scope of Work

We have been engaged by Axis-REIT to perform an independent limited assurance engagement in accordance with Malaysian Approved Standards on Assurance Engagements, ISAE 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000”) on Selected Key Performance Indicators (“Subject Matter Information”), marked with a # on the relevant pages of Axis-REIT’s Management of Material Sustainability Matters Report for the financial year ended 31 December 2025 (“Sustainability Report”).

Subject Matter Information

The Subject Matter Information reported in the Sustainability Report on which we provide limited assurance, consists of:

Category	Subject Matter Information	Metric Unit
Environmental – Energy and Carbon Footprint	Total Energy Consumption	MJ and MWh
	Total Building Energy Intensity	MJ/sq. ft.
	Scope 1 GHG Emissions	tCO ₂ eq
	Scope 2 GHG Emissions	tCO ₂ eq
	Total Building GHG Emissions Intensity (Scope 1 and Scope 2 Combined)	tCO ₂ eq/sq. ft.
Environmental – Water Management	Annual Water Withdrawal	m ³
	Annual Water Use Intensity	m ³ /sq. ft.
Social – Occupational Health and Safety	Injury Cases (Fatalities, Lost Time Injuries, Restricted Work Cases/Medical Treatment, First Aid, Lost Time Incident Rate)	No.
	Non-injury Cases (Fire/Explosion, Property/Equipment Damage, Environmental Pollution, Summons Received)	No.
	Non-compliance Incidents/Fines (Incidents of Non-compliance with HSE Policy, Incidents of Non-compliance with Applicable Laws and Regulations, Amounts in Fines Incurred for Regulatory Non-Compliance)	No./Ringgit Malaysia
	Absentee Rate (Male, Female)	%
	Safe Days	No.
Social – Community Activity and Partnership	Total Amount Invested in Corporate Social Responsibility (“CSR”)	Ringgit Malaysia
	Total Number of CSR Beneficiaries	No.
Economic – Quality Assets and Services – New Acquisitions	Number of Acquisitions and Developments Completed	No.
	Number of Properties with Green Building Certification	No.

Our limited assurance was with respect to the financial year ended 31 December 2025 information and we have not performed any procedures with respect to earlier periods or any other elements included in the Sustainability Report, and therefore, do not express any conclusion thereon.

The scope of our work was limited to the Subject Matter Information presented in the Sustainability Report and did not include coverage of data sets or information unrelated to the data and information underlying the Subject Matter Information and related disclosures; nor did it include information reported outside of the Sustainability Report, comparisons against historical data, or the Manager’s forward-looking statements.

The boundary of the limited assurance engagement on the Subject Matter Information represents the primary activities of Axis-REIT and the operations of the Manager in managing Axis-REIT. Where indicated, some data are limited to that of common areas of multi-tenanted properties under the Manager’s direct operational control.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Reporting Criteria

The Reporting Criteria applied for the reporting of the Subject Matter Information are as follows:

- the Global Reporting Initiative (“GRI”) Standards;
- IFRS *Sustainability Disclosure Standards*; and
- Axis-REIT’s relevant internal policies and procedures.

(collectively referred to as the “Reporting Criteria”)

Responsibilities of the Trustee and the Manager of Axis-REIT

The Trustee and the Manager are responsible for the preparation and presentation of the Subject Matter Information in accordance with the Reporting Criteria. The responsibility includes selecting the Reporting Criteria, and designing, implementing and maintaining internal control, using assumptions and estimates that are relevant to the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

Our Responsibilities

Our responsibility is to express our conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter Information as presented in the Sustainability Report is not prepared, in all material respects, in accordance with the Reporting Criteria.

We have performed our limited assurance engagement in accordance with the terms of reference for this engagement agreed with the Trustee and the Manager, including performing the engagement in accordance with ISAE 3000. This Standard requires that we plan and perform our engagement to obtain limited assurance about whether the Subject Matter Information as presented in the Sustainability Report is free from material misstatement. Misstatements can arise from fraud or error and are considered material, if individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Subject Matter Information. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A limited assurance engagement undertaken in accordance with ISAE 3000 involves assessing the suitability of the Reporting Criteria used in the circumstances of Axis-REIT for the preparation of the Subject Matter Information, assessing the risks of material misstatement, whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the Subject Matter Information in the Sustainability Report. We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Inherent Limitations

Inherent limitations of limited assurance engagements include use of judgement and selective testing of data, which means that it is possible that fraud or error may occur and not be detected in the course of performing the engagement. Our engagement is not designed to detect all weaknesses in the internal control over the preparation and presentation of the Subject Matter Information. Accordingly, there is some risk that a material misstatement may remain undetected.

There are also inherent risks associated with limited assurance engagements performed for non-financial information given the characteristics of the Subject Matter Information and the compilation of source data using definitions and methods for determining, calculating and estimating such information that are developed internally by the Manager. The absence of a single body that establishes the evaluation and measurement criteria for the Subject Matter Information allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. Qualitative interpretations of relevance, materiality and accuracy of data are subject to individual assumptions and judgements. In addition, where the information relies on factors derived by independent third parties, our limited assurance work has not included examination of the derivation of those factors and other third-party information.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Summary of Work Performed

Procedures performed in a limited assurance engagement vary in nature and timing, from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our limited assurance engagement on the Subject Matter Information consists of making inquiries, primarily of persons responsible for the preparation of the Subject Matter Information presented in the Sustainability Report, and applying analytical and other evidence gathering procedures, as appropriate. These procedures include:

- Inquired personnel responsible for the Subject Matter Information to gain an understanding of the processes relevant to the engagement in the preparation of the Subject Matter Information and the underlying controls over those processes;
- Inquired personnel responsible for data collection, collation and reporting of the Subject Matter Information for Axis-REIT;
- Identified the risks of material misstatement of the Subject Matter Information whether due to fraud or error and designed and performed limited assurance procedures that were appropriate in the circumstances to obtain sufficient and appropriate evidence, including:
 - (a) undertook site visits at selected locations to understand data collection process, source data and relevant assumptions applicable to the sites;
 - (b) checked formulas and inputs used in the calculation of the Subject Matter Information against Axis-REIT's Reporting Criteria; and
 - (c) compared the Subject Matter Information to corresponding information in the relevant underlying supporting documents on a sample basis; and
- Checked the appropriateness of the presentation and disclosures of the Subject Matter Information based on the Reporting Criteria.

Although we obtained understanding of Axis-REIT's internal control relevant to the engagement when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide a conclusion on the effectiveness of Axis-REIT's internal control. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*. Accordingly, we are required to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the Subject Matter Information as presented in the Sustainability Report has not been prepared, in all material respects, in accordance with the Reporting Criteria.

INDEPENDENT LIMITED ASSURANCE REPORT ON SELECTED KEY PERFORMANCE INDICATORS

Restriction on Use

Our work has been undertaken to enable us to express a limited assurance conclusion on the matters stated above in our report prepared solely to the Trustee and the Board of Directors of the Manager in accordance with the terms of our engagement, and for no other purpose or in any other context. We do not accept or assume liability to any party other than the Trustee and the Board of Directors of the Manager, for our work, for this report, or for the conclusion we have reached. We consent to the inclusion of this limited assurance report in Axis-REIT's Integrated Annual Report for the financial year ended 31 December 2025, provided it is clearly understood by recipients of the report that we accept no duty of care to them whatsoever in respect of this report. Any reliance on this report by any third party will do so on its own risk.

Baker Tilly Monteiro Heng PLT

201906000600 (LLP0019411-LCA) & AF 0117

Chartered Accountants

Kuala Lumpur

Date: 27 February 2026

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Tenant Satisfaction	Overall 'Hello Axis' Tenant Satisfaction Ratings	Rating of 1 maximum of 5	4.27	Above 4	No assurance
Tenant Satisfaction	'Hello Axis' Tenant Satisfaction Ratings by Building Type - Multi-tenant	Rating of 1 maximum of 5	3.67	—	No assurance
Tenant Satisfaction	'Hello Axis' Tenant Satisfaction Ratings by Building Type - Single-tenant	Rating of 1 maximum of 5	4.87	—	No assurance
Tenant Satisfaction	Annual Tenant Satisfaction Survey Score	Rating of 1 maximum of 10	7.62	Above 7	No assurance
Tenant Satisfaction	Occupancy Rate	Percentage (%)	94	Above 90%	No assurance
Quality Assets & Services - New Acquisitions	Number of acquisitions and developments	Number	1	—	External (Limited)
Responsible Supply Chain Management	Local Suppliers - Total Procurement Spent on Local Suppliers	RM million	38.7	—	No assurance
Responsible Supply Chain Management	Local Suppliers - Percentage spent on Local Suppliers	Percentage (%)	100	—	No assurance
Responsible Supply Chain Management	Total Number of Training Programmes Offered to Suppliers	Number	28	—	No assurance
Responsible Supply Chain Management	Total Number of Attendees of Training Programmes Offered to Suppliers	Attendees	695	—	No assurance
Occupational Health and Safety	Workplace Injury Cases - Fatalities	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Injury Cases - Lost Time Injuries	Cases	0	—	External (Limited)

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 1 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT

IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Occupational Health and Safety	Workplace Injury Cases - Restricted Work Cases/Medical Treatment	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Injury Cases - First Aid	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Injury Cases - Lost Time Incident Rate	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Non-injury Cases - Fire/Explosion	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Non-injury Cases - Property/Equipment Damage	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Non-injury Cases - Environmental Pollution	Cases	0	—	External (Limited)
Occupational Health and Safety	Workplace Non-injury Cases - Summons Received	Cases	0	—	External (Limited)
Occupational Health and Safety	Non-compliance Incidents/Fines - Non-compliance with HSE Policy	Cases	0	0	External (Limited)
Occupational Health and Safety	Non-compliance Incidents/Fines - Non-compliance with applicable laws and regulations	Cases	0	—	External (Limited)
Occupational Health and Safety	Non-compliance Incidents/Fines - Amount in fines incurred for regulatory non-compliance	RM	0	—	External (Limited)
Occupational Health and Safety	Absentee Rate by Gender - Female	Percentage (%)	1.08	—	External (Limited)
Occupational Health and Safety	Absentee Rate by Gender - Male	Percentage (%)	1.09	—	External (Limited)
Occupational Health and Safety	Safe Days During the Year	Days	365	—	External (Limited)

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 2 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Talent development	Talent Development - Total Training Hours	Hours	1872.5	—	No assurance
Talent development	Total Training Hours by Gender - Female	Hours	443.5	—	No assurance
Talent development	Total Training Hours by Gender - Male	Hours	1,429.0	—	No assurance
Talent development	Total Training Hours by Employment Category - Senior Management	Hours	2472	—	No assurance
Talent development	Total Training Hours by Employment Category - Middle Management	Hours	189.2	—	No assurance
Talent development	Total Training Hours by Employment Category - Executive	Hours	928.0	—	No assurance
Talent development	Total Training Hours by Employment Category - Non-Executive	Hours	508.1	—	No assurance
Talent development	Average Training Hours per Employee	Hours	231	—	No assurance
Talent development	Average Training Hours by Gender - Female	Hours	14.3	—	No assurance
Talent development	Average Training Hours by Gender - Male	Hours	28.6	—	No assurance
Talent development	Average Training Hours by Employment Category - Senior Management	Hours	24.7	—	No assurance
Talent development	Average Training Hours by Employment Category - Middle Management	Hours	23.7	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 3 of 12

BURSA MALAYSIA PRESCRIBED TABLE

AXIS-REIT

IFRS S1

Date & Time: 2026-03-03_09:47:58

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Talent development	Average Training Hours by Employment Category - Executive	Hours	23.2	—	No assurance
Talent development	Average Training Hours by Employment Category - Non-Executive	Hours	22.1	—	No assurance
Talent development	Employees Receiving Performance and Career Development Reviews by Gender - Female	Percentage (%)	100	—	No assurance
Talent development	Employees Receiving Performance and Career Development Reviews by Gender - Male	Percentage (%)	100	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Senior Management - Female	Percentage (%)	10	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Senior Management - Male	Percentage (%)	2	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Middle Management - Female	Percentage (%)	4	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Middle Management - Male	Percentage (%)	6	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Executive - Female	Percentage (%)	21	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Executive - Male	Percentage (%)	28	—	No assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Non-Executive - Female	Percentage (%)	4	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 4 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity & Inclusion	Gender Composition by Employment Categories - Non-Executive - Male	Percentage (%)	25	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Categories - Senior Management - <30	Percentage (%)	0	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Senior Management - 30-50	Percentage (%)	6	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Senior Management - >50	Percentage (%)	6	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Middle Management - <30	Percentage (%)	0	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Middle Management - 30-50	Percentage (%)	7	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Middle Management - >50	Percentage (%)	3	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Executive - <30	Percentage (%)	4	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Executive - 30-50	Percentage (%)	35	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Executive - >50	Percentage (%)	11	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 5 of 12

BURSA MALAYSIA PRESCRIBED TABLE

AXIS-REIT

IFRS S1

Date & Time: 2026-03-03_09:47:58

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Non-Executive - <30	Percentage (%)	1	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Non-Executive - 30-50	Percentage (%)	20	—	No assurance
Diversity & Inclusion	Age Group Composition by Employee Category - Non-Executive - >50	Percentage (%)	7	—	No assurance
Diversity & Inclusion	Percentage of Employees Under Contract or Temporary Employees	Percentage (%)	12	—	No assurance
Diversity & Inclusion	Total Number of New Hires by Employee Category - Senior Management	Number	0	—	No assurance
Diversity & Inclusion	Total Number of New Hires by Employee Category - Middle Management	Number	1	—	No assurance
Diversity & Inclusion	Total Number of New Hires by Employee Category - Executive	Number	4	—	No assurance
Diversity & Inclusion	Total Number of New Hires by Employee Category - Non-Executive	Number	3	—	No assurance
Diversity & Inclusion	New Hires by Gender - Female	Percentage (%)	5	—	No assurance
Diversity & Inclusion	New Hires by Gender - Male	Percentage (%)	5	—	No assurance
Diversity & Inclusion	New Hires by Age Group - <30	Percentage (%)	3.8	—	No assurance
Diversity & Inclusion	New Hires by Age Group - 30-50	Percentage (%)	6.3	—	No assurance
Diversity & Inclusion	New Hires by Age Group - >50	Percentage (%)	0	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 6 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity & Inclusion	Total Number of Employee Turnover by Employee Category - Senior Management	Number	2	—	No assurance
Diversity & Inclusion	Total Number of Employee Turnover by Employee Category - Middle Management	Number	0	—	No assurance
Diversity & Inclusion	Total Number of Employee Turnover by Employee Category - Executive	Number	1	—	No assurance
Diversity & Inclusion	Total Number of Employee Turnover by Employee Category - Non-Executive	Number	2	—	No assurance
Diversity & Inclusion	Employee Turnover Rate by Gender - Female	Percentage (%)	2.5	—	No assurance
Diversity & Inclusion	Employee Turnover Rate by Gender - Male	Percentage (%)	3.8	—	No assurance
Diversity & Inclusion	Employee Turnover Rate by Age Group - <30	Percentage (%)	1.3	—	No assurance
Diversity & Inclusion	Employee Turnover Rate by Age Group - 30-50	Percentage (%)	1.3	—	No assurance
Diversity & Inclusion	Employee Turnover Rate by Age Group - >50	Percentage (%)	3.7	—	No assurance
Diversity & Inclusion	Total Number Parental Leave Taken by Gender - Female	Employee	1	—	No assurance
Diversity & Inclusion	Total Number Parental Leave Taken by Gender - Male	Employee	1	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 7 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity & Inclusion	Ratio of Basic Salary and Remuneration of Male to Female Employees by Employee Category - Senior Management	Ratio	1.0:1.7	—	No assurance
Diversity & Inclusion	Ratio of Basic Salary and Remuneration of Male to Female Employees by Employee Category - Middle Management	Ratio	1.0:1.1	—	No assurance
Diversity & Inclusion	Ratio of Basic Salary and Remuneration of Male to Female Employees by Employee Category - Executive	Ratio	1.0:0.8	—	No assurance
Diversity & Inclusion	Ratio of Basic Salary and Remuneration of Male to Female Employees by Employee Category - Non-Executive	Ratio	1.0:0.7	—	No assurance
Human Rights & Labour Practices	Number of substantiated complaints concerning human rights violations	Cases	0	—	No assurance
Community Activity & Partnership	Community Investment	RM '000	184	—	External (Limited)
Community Activity & Partnership	Total number of beneficiaries of the investment in communities	Number	3,203	—	External (Limited)
Business Ethics	Number of Compliance Breaches or Misconduct	Cases	0	—	No assurance
Business Ethics	Number of Whistleblowing Reports or Complaints Received	Cases	0	—	No assurance
Business Ethics	Percentage of Operations Assessed for Corruption-related Risks	Percentage (%)	60	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 8 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Business Ethics	Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category - Senior Management	Percentage (%)	100	—	No assurance
Business Ethics	Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category - Middle Management	Percentage (%)	100	—	No assurance
Business Ethics	Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category - Executive	Percentage (%)	100	—	No assurance
Business Ethics	Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category - Non-Executive	Percentage (%)	100	—	No assurance
Cybersecurity and Data Protection	Incidents of Cybersecurity Breaches	Cases	0	0	No assurance
Cybersecurity and Data Protection	Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Cases	0	—	No assurance
Water Management	Total Water Withdrawal	m3	108,995	1% reduction in water consumption from 2022-2026 (5 years), from the baseline year of 2019	External (Limited)
Water Management	Water Intensity	m3/sq. ft.	0.108	—	External (Limited)
Waste Management	Total Waste Disposed to Landfill	kg	1,066,367	Reduce the volume of waste sent to landfill by 10% in 5 years (2023-2027), from the baseline data set in 2022	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

AXIS-REIT
IFRS S1

Date & Time: 2026-03-03_09:47:58

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Waste Management	Total Waste Diverted from Disposal	kg	49,630	—	No assurance
Waste Management	Total Waste Diverted from Disposal - Paper	kg	28,730	—	No assurance
Waste Management	Total Waste Diverted from Disposal - Glass/Metal/Aluminium	kg	9,580	—	No assurance
Waste Management	Total Waste Diverted from Disposal - Plastic	kg	7,720	—	No assurance
Waste Management	Total Waste Diverted from Disposal - E-waste	kg	3,600	—	No assurance
Waste Management	Recycling Rate	Percentage (%)	4.45	—	No assurance
Waste Management	Total Construction Waste Reused and Recycled	kg	N/A	—	No assurance

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy & Carbon Footprint	Energy Consumption - Total Energy Consumption	MJ	14,454,470.12	1% reduction in energy consumption in 5 years (2022 - 2026), from the baseline year of 2019	External (Limited)
Energy & Carbon Footprint	Energy Consumption - Fuel Consumption Genset	MJ	60,716.43	—	External (Limited)
Energy & Carbon Footprint	Energy Consumption - Fuel Consumption Company Vehicle	MJ	322,032.29	—	External (Limited)
Energy & Carbon Footprint	Energy Consumption - Purchased Electricity	MJ	14,071,721.40	—	External (Limited)
Energy & Carbon Footprint	Energy Consumption - Building Energy Intensity	MJ/sq. ft.	13.98	—	External (Limited)
Energy & Carbon Footprint	GHG Emissions - Total GHG Emissions (Scope 1 and 2)	tCO2eq	2,919.92	1% reduction in GHG Scope 1 and 2 emissions in 5 years (2022 to 2026), from the baseline year of 2019	External (Limited)
Energy & Carbon Footprint	GHG Emissions - Scope 1 Emissions	tCO2eq	27.40	—	External (Limited)
Energy & Carbon Footprint	GHG Emissions - Scope 2 Emissions	tCO2eq	2,892.52	—	External (Limited)
Energy & Carbon Footprint	GHG Emissions - Building GHG Emissions Intensity	tCO2eq/sq. ft.	0.00287	—	External (Limited)
Energy & Carbon Footprint	GHG Emissions - Scope 3 Emissions Category 3: Fuel and Energy/Related Activities	tCO2eq	1,236.69	—	No assurance
Energy & Carbon Footprint	GHG Emissions - Scope 3 Emissions Category 6: Business Travel	tCO2eq	7.37	—	No assurance
Energy & Carbon Footprint	GHG Emissions - Scope 3 Emissions Category 7: Employee Commuting	tCO2eq	179.48	—	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-03-03_09:47:58

Page 11 of 12

BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-03-03_09:47:58

AXIS-REIT
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy & Carbon Footprint	GHG Emissions - Scope 3 Emissions Category 13: Downstream Leased Assets	tCO2eq	261,554.51	—	No assurance

CORPORATE GOVERNANCE OVERVIEW STATEMENT



ARMB is the management company of Axis-REIT and is pleased to present this Corporate Governance Overview Statement. This statement has been approved by the Board and provides insights into the best practices adopted by the Manager in managing Axis-REIT.

The Manager recognises that an effective corporate governance culture is critical to its performance, and, in turn, to the success and sustainability of Axis-REIT. We are committed to upholding high standards of corporate governance and have adopted a comprehensive corporate governance framework that aligns with best practice principles.

The following sections describe the corporate governance framework, practices, and policies adopted by the Manager, reflecting the requirements applicable to Axis-REIT as a large company defined by the MCGG. These are substantially in accordance with the recommendations of the MCGG.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

The Manager of Axis-REIT

As the appointed Manager of Axis-REIT, ARMB holds the authority to oversee the Fund's assets and liabilities. Its main responsibility is to manage these assets and liabilities for the benefit of the Fund's Unitholders, acting with integrity, due care, and diligence, and in Unitholders' best interests at all times.

Led by the Board of Directors, ARMB sets the strategic direction of the Fund and makes the relevant recommendations to the Trustee of Axis-REIT on acquisitions, divestments, enhancements, and developments. Concurrently, the Manager also oversees the business planning, capital management, and risk management functions of the Fund.

ARMB is a Capital Markets Services Licence holder, regulated by the Capital Markets and Services Act 2007. In addition to adhering to the practices and principles of the MCGG, the Manager is required to meet the minimum standards of conduct in the capital market as prescribed by the SC, and the SC's Guidelines on Corporate Governance for Capital Market Intermediaries (CGCMI Guidelines).

The Board of Directors of the Manager

The diagram below provides an overview of the Board's responsibilities in carrying out the duties of the Manager:

BOARD'S RESPONSIBILITIES

- ➔ Strategic planning to support long-term value creation
- ➔ Corporate governance, reinforcing ethical, prudent, and professional behaviour
- ➔ Supervision and oversight of Senior Management towards achieving the Fund's objectives and mission
- ➔ Business plans and the results of their implementation
- ➔ Asset management of Axis-REIT's property portfolio
- ➔ Risk management and internal controls, including setting the risk appetite and tolerance in decision-making processes
- ➔ Financial and non-financial reporting systems
- ➔ Business development and growth strategies
- ➔ Succession planning at Board and Senior Management levels
- ➔ Stakeholder communication and engagements
- ➔ Oversight of sustainability-related risks and opportunities, including climate-related matters

 Details of the Board's roles and responsibilities in discharging its fiduciary leadership functions are available in the Board Charter, which can be accessed at Axis-REIT's corporate website, www.axis-reit.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Sustainability Governance Structure

Effective sustainability management requires strong leadership to ensure that day-to-day operations and business decisions align with the Fund's vision and sustainability targets, thereby securing the trust and confidence of all stakeholders.

The CEO, HODs, and the Manager, Corporate Communications & Sustainability form the Sustainability team of Axis-REIT. This team, along with the Board, are responsible for managing the Fund's sustainability goals and initiatives.



BOARD

- Approving ESG strategies and targets/KPIs
- Regularly evaluating the Fund's overall ESG-related performance and progress
- Overseeing sustainability-related risks and opportunities, including climate-related matters, alongside the management of sustainability strategies and initiatives
- Ensuring that sustainability-related risks and opportunities, including climate-related matters, are integrated into decision-making processes of business plans, strategies, budgets, as well as investment and divestment proposals
- Reviewing and monitoring sustainability-related issues and strategy progress reports prepared by the CEO and Senior Management on a quarterly basis



BOARD CHAIRMAN

- Ensuring the Board's commitment in sustainability governance oversight
- Overseeing climate change risks on behalf of the Board



CEO

- Developing and managing sustainability initiatives
- Identifying, assessing, and managing sustainability-related risks and opportunities, including climate-related matters
- Formulating sustainability-related strategies in line with business plans
- Assessing the impact and progress of key sustainability action plans
- Ensuring the mitigation of sustainability-related risks by integrating these risks in the enterprise risk management processes
- Providing updates on sustainability-related strategies and performance to the Board on a quarterly basis



HODs



Project
Management



Investments



Finance



Compliance



Real Estate



Facilities
Management



Human
Resource

- Implementing, monitoring, and periodically reporting the progress of sustainability initiatives, including climate-related matters, measures, and actions that have been set by the CEO and approved by the Board



MANAGER, CORPORATE COMMUNICATIONS & SUSTAINABILITY

- Working closely with the CEO and HODs to implement approved sustainability initiatives, including climate-related matters and action plans, and thereafter, monitoring and reporting on the progress and impact of these initiatives

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Composition

The Board comprises a balanced mix of Executive and Non-Executive Directors with diverse professional backgrounds. This diversity enables Senior Management to draw on the Board’s wide range of expertise and business experience when deliberating matters pertaining to the management and operations of the Fund.



The Board is satisfied with its current composition, given the mix of skills and competencies of its members. The Board further notes that its composition complies with the SC’s Guidelines on Listed REITs in terms of independent representation, as well as the SC’s CGCMI Guidelines for gender diversity.



Annual Assessment of the Board, Board Committees, and Individual Directors

The assessments of the Board, Board Committees, and each individual Director were internally facilitated by the Company Secretary in September 2025. The assessment criteria covered areas relating to the fit and properness of the Directors, the contributions by the Directors, and their understanding of the roles and responsibilities of the Directors and the Board as a whole, including the effectiveness of the Board and each Board Committee. The assessment results were compiled and reported to the Nomination Committee in October 2025.

Note: The evaluation process for FYE2024 was facilitated by an independent expert. The Board is committed to engaging an independent expert to conduct the evaluation at least once every 3 years in accordance with the best practice recommended under the MCCG.

Outcome in FYE2025: The Nomination Committee reviewed the assessments of the Board, Board Committees, and each individual Director. Based on the Committee’s evaluation, the Board was satisfied with the existing board structure and composition as well as the experiences and competencies of the Directors, enabling the Board to discharge its duties and responsibilities effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Chairman of the Board and CEO

The positions of Chairman and CEO are held by separate persons to maintain an effective segregation of duties. This division of responsibilities, summarised below, is defined in the Board Charter:

Chairman of the Board

- Provides leadership to the Board in relation to all aspects of the Board's roles and responsibilities
- Ensures that members of the Board work together with Senior Management in a constructive manner in addressing strategies, business operations, financial performance, and risk management issues
- Plays a role in the Manager's external relationships with stakeholders



CEO

- Has full executive responsibilities in implementing the agreed business policies and directions set by the Board, as well as for overall operational decisions in managing Axis-REIT
- Works closely with all HODs through weekly cross-departmental meetings to review operational issues, capital management, investment proposals, leasing activities, as well as facilities and project management

Corporate Strategy and Target Setting

At the Board meeting held on 23 January 2025, the Board reviewed and approved Axis-REIT's budget, which set the financial roadmap and targets for each department in executing their business plans for the year.

At the same meeting, the Board also approved and adopted the Corporate Strategy (2025-2026), comprising financial and non-financial key performance indicators (KPIs) under strategic components – real estate, capital management, facilities management, investments, development and governance.

Both the budget and the Corporate Strategy (2025-2026) formed the benchmark to guide the performance of the Manager in managing Axis-REIT, ensuring that resources are allocated efficiently and action plans are purposeful in order to meet the agreed targets.

At each of its quarterly meetings, the Board reviewed and assessed the Manager's execution of approved action plans and its progress towards targets and KPIs that had been set and approved in the Corporate Strategy (2025-2026).



The progress, achievements, and targets met in FYE2025 are presented on pages 98 to 99.

Commitment to Climate Management

As part of its environmental stewardship plans, the Manager has committed to reducing Axis-REIT's GHG emissions to close to zero (carbon neutrality) or achieving net zero by 2050 or earlier. In FYE2025, the Board approved the Carbon Neutrality by 2050 Roadmap, driven primarily by renewable energy procurement.



More details on this roadmap can be found in the Management of Material Sustainability Matters – Energy & Carbon Footprint on page 134.

Assessment of the Board and the Sustainability Team

The Board provides active oversight to drive sustainable growth for Axis-REIT by periodically reviewing the Corporate Strategy (2025-2026). The Board's annual assessment reflected a high level of engagement by the Directors in tracking both financial and non-financial strategic targets.

The Board also reviewed the performance of the Sustainability Team in relation to overall progress and targets met during FYE2025, and was satisfied with the progress and outcomes achieved in support of the Corporate Strategy (2025-2026).

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Meetings and Procedures

The Board meets every quarter and held four meetings in FYE2025. Dates for all Board meetings are determined and fixed in advance, allowing Directors to schedule and commit their time effectively. This is governed by the Board Charter, which sets expectations on time commitments for Board members.

At the quarterly meetings held in FYE2025, the Board:

- 

Reviewed, discussed, and approved the release of Axis-REIT's quarterly and annual financial results
- 

Reviewed proposed acquisitions and/or disposals, corporate plans, the annual budget, credit control reports, capital management proposals, real estate reports, facilities and project management reports, investor relations reports, as well as other operational reports
- 

Reviewed the financial performance of Axis-REIT against the approved budget
- 

Reviewed corporate and sustainability strategies along with related performance progress reports
- 

Reviewed corporate policies and procedures and approved revisions thereof
- 

Reviewed other proposals tabled by Senior Management
- 

Reviewed reports from the Board Committees

The CEO led the business performance reporting at each Board meeting. The Chief Financial Officer (CFO), the Head of Real Estate, and the Head of Investments, who are HODs of the Manager, were also in attendance to present their reports and facilitate the review and discussion of issues and matters raised. This participation and meeting structure enabled the Board to oversee, assess, and monitor Senior Management's performance in administering the business of the Manager and Axis-REIT.

Before every Board meeting, the Executive Committee met to review all reports and proposals from Senior Management. Thereafter, it compiled a comprehensive Executive Committee Report that was presented to the Directors at the Board meetings. These reports contained financial and

operational updates, sustainability-related performance and progress, as well as proposals and recommendations for the Board's consideration, deliberation, and decision.

The Company Secretary facilitated the dissemination of information pertaining to Board meetings by sending notices of meetings and their agendas to all Directors no less than seven days before each meeting. Following the issuance of meeting notices, soft and hard copies of the relevant meeting papers were compiled and distributed to all Directors as soon as practicable, and no later than five business days prior to each meeting.

Meeting among Non-Executive Directors

At the Board meeting held on 23 October 2025, the Non-Executive Directors held a separate and private discussion to review strategic, governance, and operational matters without the presence of the Executive Directors or Senior Management.

Access to Information and Advice

All members of the Board have full access to information concerning the Manager and Axis-REIT, provided during Board meetings and through enquiries made via established channels. Information is primarily disseminated to the Directors via email; additionally, the Finance department circulates monthly financial updates to assist the Board in monitoring and assessing the Fund's performance and prospects.

All Directors have access to the rules and regulations governing the Fund and the Manager via the Company Secretary, who maintains corporate documents. This includes policies, guidelines, and other such documents that have been approved by the Board.

The Manager is able to seek advice from a panel of financiers and consultants who provide professional advice in the areas of financing, capital markets, legal, property valuation, and engineering due diligence. This access to expert advice ensures that the Board's decision-making mechanism is informed, effective, and result-oriented.

Company Secretary and Head of Compliance

The Board is supported by a professionally-qualified and competent Company Secretary who is also the Head of Compliance of the Manager. The Company Secretary organises all meetings for the Board, Board Committees, and Unitholders, ensuring that all meetings comply with the applicable policies, rules, and procedures. As the Head of Compliance, the Company Secretary also assists the CEO in legal and corporate compliance matters, liaising and working closely with the Fund's external solicitors and professional advisers to ensure compliance with all relevant regulations at all times.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

During FYE2025, the Company Secretary attended all Board, Board Committee, and Unitholders' meetings, recording and preparing the minutes of each meeting for the approval of the respective Chairmen. The Company Secretary also ensured that all compliance requirements, such as periodic announcements, regulatory submissions, and statutory returns, were met in accordance with the applicable laws, rules, and regulations.

The Company Secretary also facilitated communication between the Board, Board Committees, and Senior Management, and updated the Board on all relevant regulatory changes.



Outcome in FYE2025:

In FYE2025, the Company Secretary briefed the Board on all notable regulatory updates. These updates, among others, included the following:

- Corporate Governance Monitor 2024
- National Sustainability Reporting Framework
- Updated sustainability reporting requirements under the MMLR
- Personal Data Protection (Amendment) Act 2024, including the newly issued guidelines on appointment of a data protection officer, data breach notification, and cross border personal data transfer

Corporate Policies

As the Manager of Axis-REIT, ARMB is guided and governed by several corporate policies in managing the Fund. These policies, which can be accessed on Axis-REIT's corporate website, are continually reviewed and updated to reflect the prevailing regulatory requirements and operating conditions.



Outcome in FYE2025:

The outcome of the Board's review of Axis-REIT's corporate policies in FYE2025 is presented below:

Policies	Scope	Revisions in FYE2025
Board Charter	Provides a clear description of the responsibilities of the Board, its Directors, and the Board Committees	Revised to formalise the Board's Chairman position as the person responsible for climate change risks at the Board level
Code of Conduct	Outlines the rules of professional conduct, proper practices, and ethical behaviour expected of the Manager and its personnel	None except a minor housekeeping amendment
Whistle-Blowing Policy	Facilitates the management of reports and claims filed in relation to possible improprieties in matters relating to financial reporting, compliance, misconduct, and other malpractices	None except a minor housekeeping amendment
ACF Policy	Serves as a guideline for identifying, recognising, and dealing with bribery and corrupt practices that may arise in the course of the Manager's daily business and operations, in furtherance of the Manager's commitment to lawful and ethical behaviour at all times	None
TRM Framework	Provides a framework for the management of technology risks, technology operations, technology service providers, and cyber security	<ul style="list-style-type: none"> - Fine-tuned to reflect the specific processes adopted by the Manager in managing technology risks - Incorporated the statement on risk tolerance/appetite pursuant to the Internal Auditor's recommendation - Incorporated a section on technology service provider management

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Policies	Scope	Revisions in FYE2025
Cyber Risk Policy & Procedures	Guides the management of cyber risks to preserve the confidentiality, integrity, and availability of information or data	<ul style="list-style-type: none"> - Amended to align with the provisions under the SC's TRM Guidelines - Expanded the backup procedures to include Hyper V – Replica, a feature/solution integral to the IT disaster recovery process of the Manager
IT Guidelines	Prescribes the management and handling of data and confidential information, outlining employees' responsibilities in using company devices and IT assets, assessing social media and internet, network systems, etc.	<ul style="list-style-type: none"> - Reviewed in consultation with the outsourced IT service provider to ensure that the IT Guidelines are in line with the Manager's current IT environment and processes - Incorporated multifactor authentication as an additional security control to access cloud data stored in Microsoft 365 - Incorporated email management and data transfer processes
Personal Data Protection Policy	Sets out how the Manager collects, uses, stores, shares, and protects personal data	<ul style="list-style-type: none"> - Updated to reflect the new provisions in the Guidelines on Data Breach Notification

Board Remuneration and Remuneration Policy

As Axis-REIT is externally managed by ARMB, the Fund itself has no Directors or employees. All Directors and employees are engaged by ARMB, which is a privately-owned company. Strategically led by the Board, ARMB ensures that it appoints experienced and well-qualified personnel to handle the day-to-day operations of managing the Fund. All Directors and employees of the Manager are remunerated by the Manager and not by the Fund.

Details of the Remuneration Committee, which is responsible for the determination of the remuneration policy framework of the Directors, are set out in the Remuneration Committee section below.

The remuneration policy of the Board is documented in the Board Charter of the Manager. The remuneration framework encompasses a review of the Directors' remuneration against the Fund's financial performance, as well as the achievement of the Fund's predetermined targets in respect of its non-financial KPIs.

Guided by this remuneration policy, the Remuneration Committee reviews the annual remuneration proposals presented by the Executive Committee. The Chairperson of the Remuneration Committee, who is an Independent Non-Executive Director, brings her experience and exposure to facilitate the review of the remuneration proposals. The Board recognises that the independence of the Chairperson of the Remuneration Committee contributes to an objective and impartial review process.

In FYE2025, the Remuneration Committee carried out its annual review of the remuneration packages of the CEO and other Directors. In reviewing the CEO's remuneration, the Remuneration Committee considered the CEO's leadership, performance, and contributions to

Axis-REIT, including achievement of the agreed non-financial, ESG-related targets as key assessment indicators. Directors' Fees were reviewed based on market conditions and the financial performance of the Fund. Additionally, the Committee considered the ESG efforts and achievements of the Manager, which were driven by the Sustainability Team throughout FYE2025. All recommendations were then submitted to the Board for its final decision, and abstentions from voting by interested Directors were recorded by the Company Secretary.

All remuneration matters at the Senior Management level are reviewed and determined by the Executive Committee, and where required, the Board's guidance and/or approval is sought on a case-by-case basis.

A brief overview of the remuneration (comprising salaries, other emoluments, fees, meeting allowances, and benefits-in-kind) of the current Directors in FYE2025 is presented below:

Range of Remuneration Per Annum	Executive Directors	Non-Executive Directors
RM0 - RM200,000	1*	-
RM200,001 - RM400,000	1	4
RM400,001 - RM600,000	-	-
RM600,001 and above	1	-

* Mr Takim Khan Myhre, who is an Alternate Director, draws salaries as an employee of the Manager.

Note: Details of Directors' and Senior Management's individual remunerations are not disclosed as the Directors and Senior Management personnel are remunerated by ARMB, which is a privately-owned company. The Manager believes that the overview presented above is sufficient for public disclosure, and that the non-disclosure of individual remunerations is essential to protect the interests of the Manager and its officers.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Board Committees and their Roles

The Board delegates certain functions to the Board Committees, who assist the Board in discharging its duties. These delegated functions are as follows:



EXECUTIVE COMMITTEE

- Manages the business of the Manager and Axis-REIT in accordance with the Vision and Mission of the Fund established and approved by the Board
- Oversees and monitors the day-to-day business activities of the Manager and Axis-REIT
- Oversees internal talent development and senior leadership succession planning



AUDIT COMMITTEE

- Assists the Board in ensuring that a balanced and understandable assessment of Axis-REIT's financial position and prospects is presented to the investing public
- Assists the Board in the areas of internal controls, risk management, and governance processes of Axis-REIT and the Manager



REMUNERATION COMMITTEE

- Recommends to the Board the policy framework for the remuneration of Executive and Non-Executive Directors of the Board, as well as Senior Management (where necessary)
- Reviews the remuneration framework, from time to time, to ensure that the Manager attracts and retains individuals of the highest calibre



NOMINATION COMMITTEE

- Ensures that the Manager recruits, retains and develops the best available executive and non-executive directors
- Reviews succession at Board level
- Assesses the Board's structure, size, and composition
- Evaluates the Directors' mix of skills, expertise, and competencies

The Board Committees are guided by their respective Terms of Reference. The Terms of Reference of the Audit, Nomination, and Remuneration Committees are available for viewing on Axis-REIT's corporate website.



AUDIT COMMITTEE

The Audit Committee is responsible for ensuring that the financial reporting system, risk management and internal control system of the Manager are robust.



The Audit Committee Report, which summarises the activities carried out by the Committee during FYE2025, is set out as a separate section in this Report.



REMUNERATION COMMITTEE

As the Directors of the Manager are remunerated by the Manager and not by the Fund, the Executive Committee of the Manager plays an important role in presenting proposals to the Remuneration Committee. In this regard, Dato' Abas Carl Gunnar and Mr Stephen Tew, who are members of the Remuneration Committee, also represent the Executive Committee in presenting remuneration proposals to the Remuneration Committee, under the scrutiny of its Independent Chairperson.

While the composition of the Remuneration Committee departs from the recommendation of the MCGG, the Board considers the views of the Executive Committee to be essential to its deliberations, especially in reviewing the CEO's remuneration proposal. This is due to the Executive Committee's oversight of the primary management activities and business of Axis-REIT, providing it with a better understanding of the performance and contributions of the CEO.



NOMINATION COMMITTEE

The chair of the Nomination Committee, who is the Senior Independent Director of the Board, plays an important role in fostering strong relationships and balance across the Board.

At a meeting held in FYE2025, the Nomination Committee undertook the following activities as part of its annual affairs:

- (i) Reviewed the assessment results on the performance of the Board, individual Directors, and Board Committees, as compiled by the Secretary via an internally facilitated evaluation process

Outcome

The Committee noted:

- Satisfactory levels of corporate governance values/practices, as embedded in the functions of the Board, operations, and management processes of ARMB.
- Satisfactory assessments of the Board, Board Committees, and individual Directors.
- That all Directors have remained fit and proper, observing high standards of integrity and fair dealing in carrying out their duties and responsibilities.
- That the Independent Directors were independent and capable of exercising independent judgement in all deliberations and decision-making.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



NOMINATION COMMITTEE

- (ii) Evaluated the criteria for the annual assessment of Directors (including the assessment of Independent Directors)

Outcome

- ➔ The Committee accepted the assessment criteria applied in the internal evaluation process.

- (iii) Reviewed the existing composition of the Board, as well as the effectiveness of the Board and Board Committees

Outcome

- ➔ The Committee was satisfied with the existing composition of the Board and Board Committees.
- ➔ While the MCCG best practice recommends that the Chairman of the Board should not be a member of any other Board Committee, the Board decided to maintain the composition of its Remuneration Committee where the Board Chairman is also a member. This exception was based on the assessment that the Chairman is capable of undertaking an effective role in the Remuneration Committee given his position as one of the ultimate major shareholders of the Manager, and will hence act in the best interest of the Manager.

- (iv) Reviewed succession plans at Board level

Outcome

- ➔ No new recommendations were raised.

- (v) Assessed the training needs of the Directors

Outcome

- ➔ The Committee noted that all Directors complied with training and continuous development requirements.

- (vi) Reviewed the term of office and performance of the Audit Committee in accordance with Paragraph 15.20 of the MMLR

Outcome

- ➔ No exception was noted from the assessment results.

- (vii) Assessed the retiring Directors for re-election based on evaluations conducted

Outcome

- ➔ The Committee recommended the re-election of the retiring Directors to the Board, who then recommended the same for sole shareholder's approval at the Manager's AGM in 2026.

Assessment of Independent Directors

The Board undertook the annual evaluation of its two Independent Directors based on the results of the assessment facilitated by the Company Secretary. The Board noted that the Directors did not come across any potential conflict that may impair the independence of the Independent Directors.

Attendance at Board and Board Committee Meetings in FYE2025

The Appendix accompanying this Statement presents the details of each Director's attendance at Board and Board Committee meetings in FYE2025.

Directors' Continuous Development Programmes

The Board ensures that its members attend appropriate continuing education programmes to stay updated on relevant developments, including topics related to sustainability, and to enhance their skills and strengthen their participation in Board deliberations.

The Company Secretary assists the Nomination Committee in compiling and disseminating information on the relevant and available training programmes, for consideration and selection by the Directors and Audit Committee members. The Company Secretary also compiles details of the Directors' participation in continuous development programmes to be reported to the Nomination Committee and the Board accordingly.

All Directors of the Manager fulfilled their training requirements in FYE2025 and attended the Mandatory Accreditation Programme Part II – *Leading for Impact*, which equipped Directors to understand and navigate sustainability issues for stronger corporate oversight.

The details of the Directors' Training in FYE2025 are presented in the accompanying Appendix.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

An Effective Audit Committee

The Audit Committee plays an important role in the governance structure of the Manager, and discharged its duties in accordance with its Terms of Reference throughout FYE2025.

 The risk governance structure of the Manager is set out in the Statement on Risk Management and Internal Control.

 Details on how the Audit Committee had discharged its duties in FYE2025 are presented in the Audit Committee Report.

Assessment of the External Auditors

One of the tasks delegated to the Audit Committee is the annual assessment of the Fund's External Auditors for re-appointment.

The Company Secretary assists the Audit Committee in this evaluation through the application of two evaluation tools that have been approved and adopted by the Audit Committee. The tools comprise an interview with the Partner-in-Charge at the external audit firm, and an evaluation checklist completed by Senior Management. The tools are designed to address the following criteria:

-  Calibre of the external audit firm
-  Quality of the audit process, scope, and planning
-  Effectiveness of audit communications
-  Auditors' independence and objectivity
-  Auditors' suitability for re-appointment

The Audit Committee evaluates the outcome of these assessments in determining the suitability of the External Auditors for re-appointment.

The Audit Committee also holds private engagements with the External Auditors without the presence of Senior Management. These meetings provide a platform for the Audit Committee to gauge the working relationship between the External Auditors and management, as well as the level of independence demonstrated by the External Auditors.

During the year under review, the Audit Committee evaluated the results of the assessments, and recommended the re-appointment of KPMG PLT as Axis-REIT's External Auditors for FYE2025. This was submitted to the Trustee for approval. The re-appointment of the External Auditors of Axis-REIT is not subject to the approval of Unitholders.

Risk Management and Internal Control Systems

Effective risk management is a fundamental part of the Manager's business strategy. It minimises the risk of adverse disruptions to the Manager's pursuit and accomplishment of Axis-REIT's business goals

and objectives, and mitigates any potential loss that may negatively impact the Unitholders of Axis-REIT.

Risk management is embedded in day-to-day operations as well as the executive functions of the Manager. The barometer for risk management is the Risk Register, formulated by the Manager to identify, capture, and periodically monitor key risk areas. The Audit Committee reviews the Risk Register on a quarterly basis for reporting to the Board. The Board is ultimately responsible for the overall risk management and internal control system of the Manager.

 Details on the risk management and internal control framework of the Manager are contained in the Statement on Risk Management and Internal Control.

The internal audit function of the Manager is outsourced to an independent consultancy firm, Baker Tilly Monteiro Heng Governance Sdn Bhd, which carries out the internal audit review based on an approved internal audit plan. The Internal Auditors report directly to the Audit Committee, presenting and discussing their internal audit reports at the quarterly Audit Committee meetings. The Audit Committee, in turn, conveys all findings and observations from the internal audit reviews to the Board on a quarterly basis.

 Details on the internal audit activities are available in the Statement on Risk Management and Internal Control.

Assessment of the Effectiveness and Independence of the Internal Audit Function

The Audit Committee conducts an annual assessment on the effectiveness and independence of the internal audit function. The evaluation is based on the results of the Company Secretary's interview with the leader of the internal audit team, and applies an assessment tool that has been approved and adopted by the Audit Committee.

Following the assessment conducted on 23 October 2025, the Audit Committee was satisfied that:

- (i) Internal audit team members are free from any relationships and/or conflicts of interest which could impair their objectivity and independence.
- (ii) The internal audit firm allocated sufficient staff and resources for the internal audit functions of the Manager.
- (iii) Based on the audit fieldwork, the timeliness of the deliverables to the Manager, and comprehensiveness in reporting to the Audit Committee in FYE2025, there were no deficiencies in the internal audit function.
- (iv) The internal audit approach applied in FYE2025 remained unchanged. The internal audit function of the Manager is carried out in accordance with the industry's best practices, benchmarked against applicable practices in the International Standards for the Professional Practice of Internal Auditing.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

- (v) Checks on potential conflicts of interest were conducted to ensure there were no circumstances that could impair the independence of the assurance team from Baker Tilly Monteiro Heng PLT, which conducted the Sustainability Audit of selected sustainability indicators of the Fund. Baker Tilly Monteiro Heng PLT is affiliated to Baker Tilly Monteiro Heng Governance Sdn Bhd, the firm engaged as the outsourced Internal Auditors of ARMB.
- (vi) Mr Kuan Yew Choong is the team leader from Baker Tilly Monteiro Heng Governance Sdn Bhd in charge of the internal audit function of the Manager. He is independent, experienced, and qualified to render internal audit services, and is a Fellow Member of the Association of Chartered Certified Accountants, as well as a Chartered Member of the Institute of Internal Auditors Malaysia.

The engagement of the Internal Auditors, including their professional fees, are also reviewed and renewed annually. In its review, the Audit Committee considers the performance of the Internal Auditors' past services, their level of independence in carrying out their internal audit functions, and their working relationship with management.

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Disclosure and Communication with Unitholders and the Investing Community

The Manager has established a strong culture of continuous disclosure and transparent communication with Unitholders and the investing community. The Manager achieves this through timely and full disclosure of all material information relating to Axis-REIT via public announcements on Bursa Securities' website, through the Fund's corporate website at www.axis-reit.com.my, as well as through press releases, analyst briefings, and retail investor roadshows.

Corporate Website

The Manager has a dedicated section for corporate governance on Axis-REIT's corporate website, providing information such as the Board Charter, Code of Conduct, Whistle-Blowing Policy, as well as the Terms of Reference of the various Board Committees. The Manager has dedicated personnel responsible for updating the Fund's corporate website with pertinent and relevant information in a timely manner.

The Fund also uses the corporate website to publish its Integrated Annual Reports and notices of meetings to Unitholders, in accordance with the provisions of the Deed.

Investor Relations

The Board is committed to promoting effective communication and proactive engagements with Unitholders and the investing community through ARMB's investor relations activities. The Manager is guided by the Fund's Investor Relations and Corporate Disclosure Policy, which is also accessible on Axis-REIT's corporate website.

The Manager makes it a practice to announce the targeted release dates of Axis-REIT's quarterly financial results (Targeted Date) five market days prior to its release. Following each announcement of the Targeted Date, a blackout period commences until the quarterly financial results are announced and disseminated to the investing public. During this period, the CEO and management are prohibited from meeting with, or being involved in, any communications or investor relations activities.

The Manager views the preservation of price-sensitive information as highly important to prevent any leakage of information, whether inadvertently or intentionally.



Details on communications with Unitholders, the investing community, analysts, and fund managers are covered on pages 59.

Other Stakeholder Engagements and Relationship Management

The Manager also places emphasis on engaging other stakeholders such as its employees, the tenants of Axis-REIT, and local communities. These engagements contribute to business decision-making processes as they provide insights and ideas in meeting stakeholders' expectations and sustainability goals. The Manager, Corporate Communications & Sustainability is responsible for the various stakeholder engagement initiatives and activities.

AGM and Unitholders' Meetings

AGMs and Unitholders' meetings are the primary forums where Unitholders are presented with quality information for a better appreciation of the goals and objectives of Axis-REIT, the milestones achieved during the year, the challenges faced, as well as the prospects of the Fund. These sessions also concurrently serve as a platform for Unitholders to bring their expectations and concerns to the attention of the Manager.

After several years of virtual AGMs, Axis-REIT returned to holding its Thirteenth AGM in physical form on 24 April 2025. This is in line with updated requirements prescribed by the regulators.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The AGM notice was issued within the prescribed timeframe, along with the Integrated Annual Report 2024 which was released on 14 March 2025. Ample time was allocated for Unitholders to read the Integrated Annual Report 2024 and consider the resolutions that would be tabled at the AGM. Sufficient explanatory notes were also provided in the AGM notice to facilitate Unitholders' consideration of the resolutions tabled for their approval.

At the AGM, the Manager presented Axis-REIT's financial performance in FYE2024, an update on the Fund's activities and progress, and its prospects for FYE2025. The Board provided opportunities for Unitholders present at the meeting to raise questions pertaining to the business activities of Axis-REIT. The Chairman, CEO, other Directors, and Senior Management of the Manager were present at the AGM to answer these queries. Senior Management, including the Company Secretary, played an important part in facilitating the smooth running of the AGM.



The minutes of the Thirteenth AGM are available on Axis-REIT's corporate website.

No Unitholders' meeting was held in FYE2025.

Compliance Statement

The Board is satisfied that the Manager has substantially applied the principles and best practice recommendations prescribed under the MCCG in its management of Axis-REIT during FYE2025. This Statement was tabled and approved by the Board of Directors on 28 January 2026.

APPENDIX

Attendance at Board and Board Committee Meetings in FYE2025

	Meeting Attendance				
	Board of Directors	Executive Committee	Audit Committee	Nomination Committee	Remuneration Committee
Dato' Abas Carl Gunnar (Alternate Director: Takim Khan Myhre)	4/4	15/15			1/1
Stephen Tew Peng Hwee @ Teoh Peng Hwee (Alternate Director: Maxine Teoh Sui Vern)	4/4	15/15		1/1	1/1
Leong Kit May	4/4	15/15			
Alvin Dim Lao (Alternate Director: Jancis Anne Que Lao)	4/4		3/4		
Lim Keng Hwee	4/4		4/4	1/1	
Devika A/P K Sothinathan	4/4		4/4	1/1	1/1

Directors' Continuous Development Programmes in FYE2025

Director	Date	Events
Dato' Abas Carl Gunnar	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report
Stephen Tew Peng Hwee @ Teoh Peng Hwee	26-27 February 2025	Malaysian Annual Real Estate Convention 2025
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	26-27 May 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	13 August 2025	Cybersecurity Considerations 2025 Report

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Date	Events
Alvin Dim Lao	27 February 2025	Becoming a Data and AI-Driven Organization
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	10-13 March 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	20 March 2025	Philippine Stock Exchange Investor Conference
	13 August 2025	Cybersecurity Considerations 2025 Report
	7 November 2025	Auerbach Grayson Emerging & Frontier Markets Virtual Investor Conference
	14 November 2025	Philippine Stock Exchange Star Investor Conference
Leong Kit May	8 January 2025	CIMB Treasury & Market Outlook Q1 2025
	9 January 2025	Forum Ekonomi Malaysia 2025
	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	28 February 2025	Bursa Sectorial Workshop for Malaysian REITs
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	16 April 2025	Bursa PLCs IR4U Series 4: Leopard in the Grass – Global Economic, FX & Rates Outlook 2025
	25 April 2025	Industry Consultation - New Product Governance Guidelines
	7 May 2025	REHDA Focus Group Discussion on SST
	1 July 2025	Invest ASEAN-Malaysia Conference 2025
	3 July 2025	MIPFM CPD Seminar Series 2025: Sustainable Property Management in Kuala Lumpur
	28 July 2025	Bursa Malaysia - Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level
	13 August 2025	Cybersecurity Considerations 2025 Report
	29-30 September 2025	South Klang Valley 2025 – Capitalising on Growth & Infrastructure Drivers
	10 October 2025	Commercial Tenancies in Practice: A Legal & Practical Guide
15 October 2025	MARC360 Reflections: Analyses of Malaysia's 2026 Budget and Post-Budget Debates	
Lim Keng Hwee	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report
	16 October 2025	Updates on implementation of E-Invoicing in Malaysia
	24 October 2025	MFRS 18 and 19
	11 November 2025	Service Tax in Malaysia – key concepts, compliance and updates
	25 November 2025	AOB Conversation with Audit Committee

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Date	Events
Devika A/P K Sothinathan	13-14 January 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	4 June 2025	Defrauded in the Age of AI and Deepfakes: Remedies and Risk Management
	13 August 2025	Cybersecurity Considerations 2025 Report
	7 October 2025	Housing Development: Late Delivery and Defect – Law & Practice
	29 October 2025	The Current Position on Statelessness and Citizenship Based on Recent Federal Court Cases and Federal Constitution Amendments
	31 October 2025	The Malaysian Bar and the Japan Federation of Bar Association – Immigrants and Refugees
	20 November 2025	Governance in Crises: Comparative Lessons from Billion-Dollar Failures
Jancis Anne Que Lao	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	11 March 2025	APREA Philippines Conference 2025: The Next Chapter in Real Assets
	19-20 March 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	22 July 2025	EO PH Learning: AI-First Mindset Principles and Readiness to apply AI-driven strategies in Business with Raj Goodman
	13 August 2025	Cybersecurity Considerations 2025 Report
Maxine Teoh Sui Vern	1 October 2025	EO PH Learning: AI Series with Raj Goodman Session 2: AI for Operational Efficiency
	17 January 2025	E-Invoicing in Malaysia (For Corporate Service Providers)
	20 January 2025	MBRS 2.0 - Annual Return
	21 January 2025	The Beneficial Ownership Reporting Framework for Companies Under the Companies Act 2016
	4 February 2025	E-Invoice Implementation in Malaysia and Navigating the MyInvois Portal
	13 February 2025	Cessation of Companies and Limited Liability Partnership
	25-26 February 2025	Company Secretary and Getting Started with Companies
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	15-16 April 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	13 August 2025	Cybersecurity Considerations 2025 Report
Takim Khan Myhre	12-13 February 2025	Mandatory Accreditation Programme Part II : Leading for Impact (LIP)
	6 March 2025	National Sustainability Reporting Framework – Navigating the Transition: A guide for Boards
	13 August 2025	Cybersecurity Considerations 2025 Report

AUDIT COMMITTEE REPORT

The Audit Committee plays a critical role in the Fund's corporate governance process, with select oversight responsibilities delegated by the Board to safeguard the interests of Axis-REIT's Unitholders.

1 COMPOSITION OF THE AUDIT COMMITTEE

The composition of the Audit Committee remained unchanged with three members during FYE2025. Two Audit Committee members (including the Chairperson) are Independent Non-Executive Directors of the Board. One of the Audit Committee members has an alternate director.

The composition of the Audit Committee during FYE2025 was as follows:

CHAIRPERSON	MEMBERS
(a) Lim Keng Hwee - Senior Independent Non-Executive Director	(b) Alvin Dim Lao - Non-Independent Non-Executive Director (Alternate Director: Jancis Anne Que Lao)
	(c) Devika A/P K Sothinathan - Independent Non-Executive Director

2 TERMS OF REFERENCE

The Audit Committee has a Terms of Reference that guides the discharge of its roles and responsibilities. In FYE2025, the Audit Committee undertook an annual review of its Terms of Reference and concluded that no changes were necessary.



The Audit Committee's Term of Reference are available on the corporate website of Axis-REIT at www.axis-reit.com.my.

3 AUDIT COMMITTEE MEETINGS

The Audit Committee held four meetings in FYE2025. Details of attendance at the Audit Committee meetings are presented in the Corporate Governance Overview Statement of this Report. The meeting dates were determined in advance to accommodate the availability of each member. Meeting papers were circulated via email and in hard copy to all Audit Committee members within five business days prior to the meetings.

4 SUMMARY OF ACTIVITIES

The Audit Committee's primary role is to monitor, oversee, review, and evaluate the effectiveness and adequacy of the Manager's financial management and reporting systems, as well as the risk management and internal control environment supporting the management of Axis-REIT. In addition, the Audit Committee oversees the performance and quality of the external and internal audit functions, and assesses any conflict-of-interest situations and related party transactions (RPTs).

In discharging its duties and responsibilities, the Audit Committee undertook the following activities in FYE2025:

Financial Reporting:

No.	Activities	Outcome
(a)	Reviewed quarterly financial results at every quarterly meeting to ensure adherence to legal and regulatory reporting requirements.	Recommended the quarterly financial results for the Board's approval prior to public release.
(b)	Engaged with External Auditors, KPMG PLT, on 23 January 2025 to review the results of Axis-REIT's FYE2024 audit. Discussed significant audit matters, specifically the valuation of investment properties, revenue recognition, compliance with Axis-REIT's Sukuk covenants, and any instances of management override of controls. There were no exceptions noted by the External Auditors.	Reported the results of the FYE2024 audit of Axis-REIT to the Board for discussion at the Board meeting held on 23 January 2025.

AUDIT COMMITTEE REPORT

Financial Reporting:

No.	Activities	Outcome
(c)	Reviewed Axis-REIT's final audited financial statements for FYE2024 on 28 February 2025. The financial statements were prepared in accordance with the Deed of Axis-REIT, applicable SC rules and guidelines, MFRS and IFRS.	Recommended Axis-REIT's final audited financial statements for FYE2024 for the Board's approval on 28 February 2025.
d)	Reviewed the key audit matter and other audit focus areas for FYE2024. The valuation of investment properties was the only key audit matter in Axis-REIT's audited financial statements for FYE2024.	The valuation of investment properties was the most significant audit area for Axis-REIT, with investment properties constituting the single largest category of assets on the Fund's statement of financial position as at 31 December 2024. The External Auditors reviewed the valuation processes adopted and assessed the appropriateness of the valuation methodologies, taking into account their respective merits based on the occupancy status and/or conditions of each property. There were no exceptions noted by the External Auditors.
(e)	Kept abreast of updates to relevant financial and sustainability reporting standards, namely: <ul style="list-style-type: none"> ➤ the National Sustainability Reporting Framework comprising IFRS S1 and IFRS S2. ➤ MFRS 18 - Presentation and Disclosure in Financial Statements (effective on 1 January 2027). 	Identified that: <ul style="list-style-type: none"> ➤ As a Group 1 listed issuer, Axis-REIT's sustainability reporting for FYE2025 must comply with the National Sustainability Reporting Framework. ➤ The adoption of MFRS 18 will introduce changes in the presentation and disclosure of the income statements for FYE2027.

External Audit:

No.	Activities	Outcome
(a)	Evaluated the suitability and independence of KPMG PLT as External Auditors against the predetermined evaluation criteria on 23 April 2025. Noted KPMG's 2023 Transparency Report and their compliance with the regulations of the SC's Audit Oversight Board.	Received KPMG PLT's confirmation of their firm's independence in accordance with the terms of all relevant professional and regulatory requirements. Recommended the re-appointment of KPMG PLT as Axis-REIT's External Auditors for FYE2025 for the Board's approval and onward recommendation to the Trustee of Axis-REIT.
(b)	Reviewed the External Auditor's audit plan for FYE2025 on 23 October 2025, prior to the commencement of audit work. The plan encompasses the audit approach and reporting requirements.	Identified the valuation of investment properties as the potential key audit matter in the audit process for FYE2025.



Further details on the Assessment of the External Auditors are set out in the Corporate Governance Overview Statement.

Audit and Non-audit Fees:

No.	Activities	Outcome
(a)	Reviewed FYE2025 proposed audit fees for Axis-REIT and its wholly-owned subsidiaries, ARSB and ARSTB. Both are special-purpose vehicles established for the issuance of Sukuk, an Islamic financing instrument.	Recommended the FYE2025 proposed audit fees for Axis-REIT, ARSB, and ARSTB to the Board for review, prior to seeking the approval from the Trustee of Axis-REIT.

AUDIT COMMITTEE REPORT

Audit and Non-audit Fees:

No.	Activities	Outcome
(b)	Reviewed the FYE2025 proposed non-audit fees of Axis-REIT, ARSB, and ARSTB, and considered if the provision of non-audit services would impede the independence of KPMG PLT as the External Auditors of Axis-REIT.	Confirmed that the provision of non-audit services would not pose any threat to the independence of KPMG PLT as Axis-REIT's External Auditors. Recommended the FYE2025 proposed non-audit fees of Axis-REIT, ARSB, and ARSTB to the Board for review, prior to seeking the approval from the Trustee of Axis-REIT.

A summary of the audit and non-audit fees for FYE2025 is as follows:

Fees applicable to Axis-REIT		Fees applicable to ARSB		Fees applicable to ARSTB	
Audit	Non-Audit	Audit	Non-Audit	Audit	Non-Audit
RM165,000	RM363,400 [^]	RM10,000	RM8,000 ^{^^}	RM10,000	RM2,000

[^] Includes RM343,400 in consultancy fees for advisory services in relation to Axis-REIT's 2025 Integrated Annual Report, including gap assessment on IFRS S1 and IFRS S2 and climate scenario analysis rendered by KPMG Management & Risk Consulting Sdn. Bhd., an affiliated firm of KPMG PLT.

^{^^} For the review of the Finance Service Coverage Ratio in relation to the Sukuk Programme established under ARSB, payable to KPMG PLT.

Risk Management and Internal Audit:

No.	Activities	Outcome
(a)	Undertook quarterly reviews of the risk management report, containing the detailed Risk Register prepared by Management.	Monitored action plans that were implemented to address the identified risks (including sustainability risks). The quarterly risk management reports were also presented to the Board following the Audit Committee's review.
(b)	Undertook quarterly reviews of the internal audit reports and follow-up review reports with the Internal Auditors.	Ensured that action plans recommended by the Internal Auditors were agreed upon and implemented by Management in a timely manner. The quarterly internal audit reports and follow-up review reports were also presented to the Board after the Committee's review.
(c)	On 23 January 2025, assessed the adequacy and effectiveness of the Manager's risk management and internal control system in managing the operations and business of Axis-REIT for FYE2024.	Confirmed that the risk management and internal control system of the Manager had been operating adequately and effectively in all material aspects throughout FYE2024. Assurance was procured from the CEO and CFO accordingly.
(d)	Reviewed the Internal Auditors' engagement proposal for 2025/2026 on 23 April 2025. This comprised their proposed internal audit plan (covering 4 audit cycles and 4 follow-up reviews) and fees.	Recommended re-engagement of the Internal Auditors to carry out their proposed internal audit services for the 2025/2026 audit cycles, along with the associated fees, for the Board's approval.
(e)	Conducted an annual assessment on the effectiveness and independence of the internal audit function on 23 October 2025.	Reported a satisfactory outcome of the assessment to the Board.

New in FYE2025:
The Audit Committee reviewed the outcome of the climate scenario analysis carried out by the sustainability team in September 2025. This analysis assesses and manages climate-related risks, builds resilience, informs strategic decision-making, and meets regulatory disclosure requirements.



Details of the risk management processes of the Manager are available in the Statement on Risk Management and Internal Control.



Details relating to the assessment of the effectiveness and independence of the internal audit function are disclosed in the Corporate Governance Overview Statement.

AUDIT COMMITTEE REPORT

Sustainability Assurance:

No.	Activities	Outcome
(a)	Reviewed the sustainability assurance status report on selected sustainability indicators of Axis-REIT for FYE2024, with Baker Tilly Monteiro Heng PLT, on 23 January 2025.	Reported the findings of the sustainability assurance review to the Board for acknowledgement and acceptance.
(b)	Reviewed the engagement proposal of Baker Tilly Monteiro Heng PLT (an affiliated firm of the Internal Auditors) on 23 October 2025. This engagement provides sustainability assurance services for FYE2025.	Concluded that no conflict-of-interest situation would arise from the engagement of Baker Tilly Monteiro Heng PLT and recommended their engagement for the Board's approval.

Others:

No.	Activities	Outcome
(a)	Undertook quarterly reviews of the list of RPTs and recurrent RPTs (RRPTs) that involved interests of related parties.	Confirmed that the RPTs and RRPTs were not detrimental to the interests of non-interested Axis-REIT Unitholders.
(b)	Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control on 23 January 2025, for inclusion in Axis-REIT's 2024 Integrated Annual Report.	Ensured that the reports contained informative and meaningful disclosures in line with the prescribed regulatory requirements.
(c)	Reviewed the income distributions of Axis-REIT which were made in accordance with the Fund's distribution policy on a quarterly basis.	Ensured the sufficiency of realised income for each distribution prior to recommending the proposal for the Board's approval.

5 REVIEW OF RELATED PARTY TRANSACTIONS & CONFLICTS OF INTEREST

Principally and pursuant to the SC's Guidelines on Listed REITs, the Manager is responsible for ensuring that all RPTs, dealings, investments, and appointments are made on terms that are the best available for the Fund, and which are no less favourable to the Fund than an arm's length transaction between independent parties. The Manager must also manage any and all situations where a conflict of interest or a potential conflict of interest arises. Operationally, Senior Management monitors the RPTs/RRPTs on a monthly basis by conducting cross-checks with the relevant departments.

The diagram below depicts the control mechanism for monitoring RPTs and RRPTs. The control mechanism is governed by the SOPs listed in the Manager's Operations Manual:



AUDIT COMMITTEE REPORT

A Director who has an interest in a particular RPT/RRPT, whether directly or indirectly, will abstain from deliberating and voting on the transaction at the relevant Board or Board Committee meetings.

All Directors are required to provide declaration letters of their interest(s) in RPTs/RRPTs and disclosures of conflict-of-interest and potential conflict-of-interest situation(s) on a quarterly basis. Summaries of all declarations are tabled at each Audit Committee meeting and Board meeting, properly documented, and kept in the statutory records of the Manager.

The Audit Committee reviewed all RPTs and RRPTs presented by Senior Management in FYE2025. There were no material RPTs or RRPTs requiring Unitholders' approval.

In FYE2025, no new conflict-of-interest situations were disclosed by any of the Directors, nor have any come to the knowledge of the Audit Committee.

6 RELATIONSHIP WITH THE EXTERNAL AND INTERNAL AUDITORS

Through the Audit Committee, the Board upholds a strong governance framework by maintaining a formal, transparent, and independent relationship with the External Auditors as well as the Internal Auditors. This structure is designed to support effective oversight of financial reporting, internal controls, risk management, and audit quality. The Audit Committee has direct, unrestricted, and confidential access to both the External and Internal Auditors at all times, reinforcing the independence of the audit functions and enabling open and candid communication.

In FYE2025, the Audit Committee met twice with the External Auditors without the presence of Management. The aim of the meetings, which were held on 23 January 2025 and 23 October 2025, were to discuss any issues, problems, and reservations arising from their audit work, including matters relating to accounting judgments, internal controls, audit findings, and compliance. This practice reflects the Audit Committee's commitment to ensuring auditor independence and facilitating transparent dialogue on matters critical to the integrity of the financial statements.

In addition, a private meeting was also held on 23 October 2025 between the Audit Committee and the Internal Auditors, also without Management's presence. This session enabled the Internal Auditors to discuss the adequacy and effectiveness of internal controls, risk management processes, and governance practices, as well as to highlight any significant findings or limitations encountered during the course of their work.

Both the External and Internal Auditors confirmed that they received full cooperation from the Manager and were provided timely and unrestricted access to data necessary to perform their duties effectively, such as information, personnel, and records. This level of cooperation supports the Audit Committee's oversight role, demonstrates a strong control environment, and establishes a culture of accountability and transparency across the organisation.

7 ANNUAL ASSESSMENT OF THE AUDIT COMMITTEE

The Audit Committee assessed its own performance against its Terms of Reference by completing the assessment form prepared by the Company Secretary. The assessment form was then submitted to the Nomination Committee for independent evaluation, which ensured objectivity and transparency in the review process. This evaluation was carried out on 23 October 2025, in compliance with Paragraph 15.20 of the MMLR. The Nomination Committee concluded that the Audit Committee had discharged its duties effectively and the same was subsequently tabled to the Board for review and acknowledgement.

The Board, upon due assessment at a meeting on 23 October 2025, was satisfied that each member of the Audit Committee and the Audit Committee as a whole had carried out their duties diligently and effectively, in accordance with the Audit Committee's Terms of Reference.

8 INTERNAL AUDIT FUNCTION

The internal audit function of the Manager is outsourced to an independent consultancy firm, Baker Tilly Monteiro Heng Governance Sdn Bhd. The outsourced Internal Auditors have the professional duty to assist the Board to review the system of internal control, risk management, and governance practices of the Manager in managing Axis-REIT. Where necessary, upon completion of the audit cycle, the Internal Auditors may make recommendations for improvements to the existing processes and procedures. Their internal audit scope (risk-driven approach) encompasses a financial control review, compliance review, risk assessment, and governance review on the identified auditable areas. The annual internal audit plan is tabled to the Audit Committee for approval prior to commencement of audit field work.



Details of the internal audit activities are contained in the Statement on Risk Management and Internal Control.

This Audit Committee Report has been approved by the Board on 28 January 2026.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors of Axis REIT Managers Berhad, being the Manager of Axis-REIT is committed to maintaining a sound and effective system of internal control to safeguard the interests of the Unitholders of Axis-REIT and the investments and assets of Axis-REIT. The Board is pleased to present this Statement on Risk Management and Internal Control (SORMIC), which has been prepared in accordance with Paragraph 15.26(b) of the MMLR and MCCG's Part II of Principle B, with guidance from the SORMIC Guide 2025.

RISK MANAGEMENT FRAMEWORK

Control Environment and Board Oversight

The Board is ultimately responsible for the risk management and internal control system of the Manager in managing Axis-REIT and it is assisted by the Audit Committee who has the delegated function to assist the Board in these areas. The Board, being primarily responsible in charting the business direction of Axis-REIT, sets the corporate strategies with appropriate risk appetite, enforces written policies and procedures, balances risk-taking with governance and ensures Management's roles and responsibilities are aligned with organisational objectives and Board-approved strategies. In its commitment to long-term sustainability, the Board also fulfills its responsibilities in overseeing sustainability-related risks and opportunities, including climate-related risks and opportunities.

Management comprising the HODs has the core responsibility to ensure accountability for identifying, assessing, mitigating, and monitoring risks to achieve the organisational objectives. The HODs who are risk

owners implement agreed action plans to address risks identified within their departments, periodically monitor the outcomes of such action plans and ensure the departmental members work together to support effective risk management. Collectively, all departments play crucial roles to ensure strategic, operational, financial and compliance risks are addressed, mitigated, monitored, and reported to the Audit Committee and the Board on a periodic basis. Risk management facilitates the timely response to evolving business risks, whether arising from factors within the Manager such as operational or human resource risks, or from changes in the business environment in which Axis-REIT operates, including emerging risks such as climate, cyber, and data security risks.

Risk Statement

The Manager endeavours to maintain a moderate risk appetite in its business operations and strategies in managing Axis-REIT so to ensure long-term sustainable growth without compromising regulatory compliances.

Risk Governance Structure

The Manager's risk governance structure is as follows:



BOARD OF DIRECTORS

- The ultimate governing body overseeing risk management and internal control
- Ensuring alignment between corporate objectives, risk appetite, and operational decisions



AUDIT COMMITTEE

- The Board-delegated committee assisting the Board in the areas of risk management and internal control
- Managing the relationships with the internal auditors and external auditors



MANAGEMENT'S FIRST LINE ROLES: CEO AND CFO

- Facilitating alignment between strategy execution, risk management, and performance objectives
- Reporting on performance, risk exposure, and internal control effectiveness, providing assurance to the Board

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

MANAGEMENT'S SECOND LINE ROLES: HODS/SUPPORTING DEPARTMENTS

 Project Management	 Investments	 Finance	 Compliance and Sustainability	 Real Estate	 Facilities Management	 Human Resource
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- Implementing and monitoring risk management action plans and internal control measures
- Complying with applicable rules and regulatory requirements, policies and procedures

THIRD LINE ROLE: INTERNAL AUDIT FUNCTION

- Reporting directly to the Audit Committee while maintaining primary accountability to the Board
- Communicating independent and objective assurance and advice to the Management on the adequacy and effectiveness of risk management and internal controls implemented within the organisation

Enterprise Risk Management Framework

The Risk Register is the enterprise risk management framework adopted by the Manager. It is the tool that assists Management in its risk management processes to identify risks, consider the likelihood of a risk occurring, assess the impact of a particular risk if it materialises, and the action plans to mitigate the identified risks.

The Risk Register follows the relevant guidance from the International Organization for Standardization (ISO) 31000 – Risk Management – Guidelines. The diagram below shows the risk management processes as encapsulated in the procedures underlying the Risk Register:



The Risk Register focuses on the management and monitoring of business, real estate, financial, governance, human resource, IT, and sustainability-related risks and opportunities including climate-related risks and opportunities. The Risk Register segregates risk areas based on departmental components. The HODs are responsible for their respective risk components and report directly to the CEO on risk issues and mitigating factors. Updates are made to the Risk Register on a quarterly basis capturing data arising from management analysis, management action plans, and monitoring activities undertaken by each HOD on an on-going basis. All updates are compiled by the Head of Compliance, who assists the CEO and the CFO in this area, for reporting purposes. The CFO then ensures the Risk Management Report, which comprises an executive summary and the detailed Risk Register, are presented to the Audit Committee and thereafter to the Board, at their quarterly meetings.

In addition to the quarterly updating of the Risk Register by the HODs internally, the Risk Register also undergoes an annual recalibration via a risk workshop facilitated by an external consultant. This workshop enables the Management team to reassess the existing risks and the corresponding ratings, identify new emerging risks and devise new action plans. Facilitation from the external consultant provides fresh perspectives and professional guidance to ensure that the Risk Register is relevant and effective.

The following sections provide some insights into how the Manager monitored and managed identified key risks affecting Axis-REIT on an on-going basis during FYE2025. Agreed action plans have been documented in the Risk Register and summarised in the Risk Management Report. The Audit Committee reviewed the Risk Management Report at each of its meetings held in FYE2025, and the same was tabled to the Board. The Board retained the overall risk oversight responsibility.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management Processes in FYE2025

Business Continuity Planning

The Manager, as a Capital Market Services License Holder, is required to comply with the SC's Guiding Principles on Business Continuity where the Manager has the obligation to report to the SC any event that would trigger the activation of a business continuity arrangement. A cyber attack or a cyber security failure is a critical incident under the Business Continuity Plan of the Manager.

The Manager completed the annual IT disaster recovery exercise in September 2025 to test the recoverability and accessibility of business applications and critical business functions. The test outcome was satisfactory.

The Manager also recognises cyber security risk as an ever-evolving risk and is a material sustainability matter. Please refer to the Management of Material Sustainability Matters on pages 129 to 131 on IT controls and measures put in place by the Manager to address such risks.

Managing Financial Risks

In managing its financial risk by reducing the Fund's exposure to short-term financing, Axis-REIT has successfully launched its new Islamic notes issuance programme of up to an aggregate amount of RM3.0 billion in nominal value (Sukuk Programme) for the issuance of senior Islamic medium term notes (Senior Sukuk) and/or subordinated perpetual Islamic notes via the wholly-owned subsidiary company, ARSTB. The first Senior Sukuk of RM300.0 million in nominal value under the Sukuk Programme of ARSTB with a tenure of 10 years (First Senior Sukuk) was successfully issued in August 2025. The First Senior Sukuk issuance has strengthened the Fund's financing maturity profile.

Managing the Property Portfolio

The Manager strives to ensure the property portfolio of the Fund is maintained in

excellent condition and positioned for better marketability and competitiveness. In FYE2025, the Manager embarked on a tenure management exercise to extend the lease period of leasehold properties with short remaining tenures. This mitigates the risk of declining value in such leasehold properties. Other than preserving the values of the property portfolio, the Manager also took initiative to enhance the attractiveness of the properties by prioritising green building standards. In July 2025, the Manager obtained GreenRE Bronze certification for Axis Facility @ Batu Kawan. With this green building certification secured, Axis-REIT met the sustainability performance targets as stipulated under the sustainability-linked financing.

The Manager also completed the flood mitigation exercise for Axis Shah Alam Distribution Centre 3 in February 2025, a preventive measure implemented to address flood risk i.e. a climate risk.

Managing Tenant Risks

Maintaining a sustainable tenant base for Axis-REIT is essential to ensuring long-term business sustainability. The existing due diligence procedures to be conducted on potential tenants have been expanded in FYE2025 to provide clarity on the background checks that need to be performed prior to onboarding a new tenant and the procedures for handling situations where potential tenants fail the due diligence process were also added. These improvements were necessary to ensure no high-risk tenants are secured for the property portfolio.

Managing Sustainability-related Risks and Opportunities

The Manager champions sustainability for long-term success, ultimately creating a resilient business environment that balances profit with the planet and people. The Manager has identified 15 material sustainability matters for Axis-REIT which fall into 4 broad categories, namely economic, governance,

environmental, and social matters. The details of these material sustainability matters are presented in the Management of Material Sustainability Matters section of the IAR2025.

INTERNAL CONTROL SYSTEM

The Manager has established a robust internal control system within its business operations. The Manager's internal control system is designed to ensure operational effectiveness, reliable financial reporting, assets protection, fraud prevention and compliance with applicable laws, policies, and procedures.

The following sections provide details on key internal controls that the Manager practices to support effective operations and achieve organisational objectives:

Corporate Strategy and Annual Budget

At the start of the financial year, the Board approved both the Corporate Strategy (2025-2026) and the annual budget for FYE2025, at its meeting held in January 2025. Both the Corporate Strategy (2025-2026) and the annual budget underwent brainstorming sessions and target-setting processes by each department with detailed reviews at all levels of operations. The Manager has been guided by the Corporate Strategy (2025-2026) and the approved budget in managing the business and operations of Axis-REIT throughout FYE2025. The Management closely monitored the Fund's actual financial performance at all levels on a monthly basis and provided monthly financial updates to the Directors. This enabled the Directors to have timely assessments of the Fund's performance and prospects. Progress of the agreed action plans, comprising both financial and non-financial key performance indicators, including agreed targets, as encapsulated under the Corporate Strategy (2025-2026), was reported to the Board on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Financial Controls and Performance Monitoring

The Manager has a policy on financial limits and approving authority for its operating and capital expenditure. All major operating and capital expenditure in respect of FYE2025 had been recommended by the Executive Committee and approved by the Board prior to implementation.

The Yardi Voyager system (YARDI system) is a synchronised platform for capturing and processing data related to tenant and debt management, payment processing, financial reporting, advanced budgeting and finance, as well as job costing. The YARDI system enables the Manager to have better financial controls, providing reliable financial information, thus reducing errors and omission. The YARDI system has an efficient support channel by the system vendor, and it is upgraded as and when there is a need for example, due to changes in taxation requirements.

Performance monitoring is important for the Manager to ensure that the Management is aligned with organisational goals, priorities, and strategies and this is effectively executed through meetings.

Management meetings chaired by the CEO and attended by all the HODs and management team members were held to review operational activities, management issues, financial performance, and investment proposals, including the deliberation of relevant strengths, weaknesses, opportunities, and threats faced by the Manager in managing Axis-REIT. In addition, 12 separate operations meetings were also held in FYE2025 by the Facilities Management Team and the Property Manager to discuss the facilities management issues and formulate remedial actions in relation to Axis-REIT's properties.

The Executive Committee meets with the Management at least every quarter to review, assess, and discuss business

updates, investment proposals, and financial performance, and on ad-hoc basis to resolve key operational, financial, and other key management issues faced by Management. During FYE2025, a total of 15 meetings were held. Significant issues were highlighted and discussed at Board meetings for the Board's ultimate decisions.

Management also monthly monitors the property yield, portfolio efficiency, and occupancy levels of each property in Axis-REIT's portfolio so to keep track of the portfolio performance.

Compliance Framework

The Manager has policies and procedures encapsulated in the Operations Manual that are tailored to the needs of the respective departments, which provide an overview of the Manager's responsibilities in relation to the management of Axis-REIT. All employees of the Manager are committed to being guided by the Operations Manual to ensure consistency of operational procedures and practices within the organisation. The Operations Manual is constantly subject to review and revision in order to ensure the policies and procedures contained therein are relevant and up-to-date.

The Manager's Directors, employees, and service providers are also governed by various policies and these policies approved by the Board are available on Axis-REIT's corporate website at www.axis-reit.com.my.

Investment Controls

The Board reviews, evaluates, and decides on strategic investment proposals covering acquisitions and disposals as recommended by the Executive Committee. Management has in place procedures to identify potential acquisitions and to assess the viability of these proposed acquisitions prior to recommending to the Board for consideration and decision. Due diligence processes which include financial, legal, and building checks

are SOPs that the Investment Team must undertake to ensure that Axis-REIT acquires yield-accretive properties that will enhance the property portfolio of the Fund. The Manager's investment decisions also take into account ESG considerations. The Investment Team will commission an environmental site assessment if the target property sits on a site which has potential contamination or scheduled waste stored. Flood vulnerability assessment is also another evaluation which is important to ensure that the Fund does not acquire a property in a flood-prone area.

Disposal processes are also in place to ensure that the interests of the Unitholders of Axis-REIT are always safeguarded when an existing property is divested. The disposal processes include the know-your-client assessment that needs to be undertaken on the potential purchaser as a control to prevent instances of money laundering.

Real Estate Management Controls

The Manager has a customised online tenant management portal known as *Hello Axis* that facilitates the communication of announcements, general feedback, property maintenance requests, and form downloads by tenants. It provides a platform for the Facilities and Leasing teams to track feedback and complaints from tenants, to address and rectify issues raised by tenants, and to ensure action plans and follow-up measures are carried out to a satisfactory level and in a timely manner. This helped maintain tenant satisfaction and ensure property maintenance issues are addressed effectively.

Other controls in place to ensure the Fund's properties stay attractive and competitive include assets enhancement initiatives, scheduled checks on mechanical, electrical, and plumbing (MEP) systems and non-MEP systems.



More details can be found in the Management of Material Sustainability Matters section on pages 116 to 120.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Internal Audit Function and its Activities

The internal audit function plays a crucial role in independently reviewing and validating the controls put in place by the Manager. This forms the third line of defence for a robust risk management and internal control system.

Based on the agreed internal audit plan, the outsourced Internal Auditors assisted the Manager in reviewing the internal control system relating to Axis-REIT's operations, procedures, and processes. The Internal Auditors undertook four audit cycles and reported the results of the audit to the Audit Committee at its quarterly meetings.

The following are the internal audit work carried out during FYE2025:

- Review of controls in relation to the SC's Guidelines on Technology Risk Management;
- Review on Sustainability Reporting Process (Cycle 3) for Axis-REIT;
- Review of compliance with adequate procedures pursuant to Section 17A of the MACC Act 2009 (Amended 2018) for Investment Department; and
- Review of controls in relation to the SC's Guidelines on Technology Risk Management – Chapter 8 on Technology Service Provider Management.

There were no material weaknesses or deficiencies noted from the internal audit reviews mentioned above.

Internal audit follow-up reviews were also carried out by the Internal Auditors on previous audit reviews for reporting to the Audit Committee. There were two internal audit follow-up review reports presented in FYE2025.

The costs incurred by the Manager for the outsourced internal audit function in respect of FYE2025 amounted to RM80,000.

Appraisal of the System of Risk Management and Internal Control

The Audit Committee, in its assessment of the adequacy and effectiveness of the Manager's risk management and internal control system, was satisfied that there were no significant control deficiencies noted during the financial year under review that had a material impact on Axis-REIT's financial performance or business operations. The Audit Committee had reported the same to the Board.

Based on the Audit Committee's assessment, the Board appraised the adequacy, effectiveness, and integrity of the system of risk management and internal control that was in place during the financial year under review and confirmed that the processes were consistently in place throughout FYE2025 up to the approval date of this Statement on 28 January 2026. The Board has also received assurance from the CEO and CFO that the risk management and internal control system set in place by the Manager, in relation to managing the operations of Axis-REIT, is operating adequately and effectively, in all material aspects.

Review of This Statement

The Board has obtained external assurance by ensuring that this Statement is reviewed in accordance with Paragraph 15.23 of the MMLR for inclusion in the Integrated Annual Report of Axis-REIT for FYE2025. This external assurance was obtained on 27 February 2026.

DIRECTORS' RESPONSIBILITY STATEMENT

IN PREPARING THE ANNUAL AUDITED FINANCIAL STATEMENTS

In accordance with Paragraph 15.26(a) of the MMLR of Bursa Securities, the Board is pleased to report that the financial statements of Axis-REIT for FYE2025 have been prepared in compliance with:

- The Fourth Principal Deed constituting Axis-REIT dated 17 January 2020
- The SC's Guidelines on Listed REITs
- Applicable securities laws
- Applicable approved accounting standards in Malaysia

These financial statements give a true and fair view of the state of affairs of Axis-REIT as at 31 December 2025, as well as the results of its operations and cash flows for the year then ended.

The Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgements and estimates that are reasonable and prudent;
- Considered that all relevant approved accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- Prepared the financial statements on a going concern basis.

The Directors have a general responsibility to take these steps in safeguarding the assets of Axis-REIT, and to detect and prevent fraud as well as other irregularities.

The background of the cover features a dark, monochromatic image of a magnifying glass resting on a financial document. The document contains various charts, including a bar chart on the left and a line graph on the right. The magnifying glass is positioned centrally, with its lens focusing on the text 'FINANCIAL STATEMENTS'. The overall aesthetic is professional and analytical.

FINANCIAL STATEMENTS

- 217 Manager's Report
- 221 Statement of Financial Position
- 222 Statement of Profit or Loss and Other Comprehensive Income
- 224 Statement of Changes in Net Asset Value
- 225 Statement of Cash Flows
- 226 Notes to the Financial Statements
- 275 Statement by the Manager
- 276 Statutory Declaration
- 277 Trustee's Report
- 278 Independent Auditors' Report

MANAGER'S REPORT

Axis REIT Managers Berhad, as the management company (“Manager”) of Axis Real Estate Investment Trust (“Axis-REIT” or “Fund”), has the pleasure of presenting this report together with the audited financial statements of Axis-REIT for the financial year ended 31 December 2025 (“FYE2025”).

Axis-REIT was formed to own and invest primarily in industrial and office real estate. The primary investment objectives of Axis-REIT are:

- a) To provide unitholders of Axis-REIT (“Unitholders”) with a stable and growing distribution of income; and
- b) To achieve long-term growth in the net asset value (“NAV”) per unit of the Fund.

The Manager is pleased to report that the Fund has been successful in achieving its investment objectives as set out above and there was no change in the investment objectives of Axis-REIT in respect of FYE2025.

There was also no significant change in the state of affairs of Axis-REIT during the financial year under review up to the date of this report.

The Manager is committed to the pursuit of the Fund’s investment objectives via the following management strategies which had incorporated environmental, social and governance factors:

- a) Facilities management strategy
- b) Real estate strategy
- c) Development strategy
- d) Capital management strategy
- e) Investment strategy
- f) Governance strategy

There was no change in the strategies and policies employed during the financial year under review as compared to that of the preceding year.

DIRECTORS

The Directors of the Manager who have held office during FYE2025 until the date of this report are as follows:

Dato’ Abas Carl Gunnar Bin Abdullah

Tew Peng Hwee @ Teoh Peng Hwee

Leong Kit May

Alvin Dim Lao

Lim Keng Hwee

Devika A/P K Sothinathan

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’ Abas Carl Gunnar Bin Abdullah)

DIRECTORS’ BENEFITS

As at the end of FYE2025, there did not subsist any arrangement to which the Manager is a party, where the arrangement enables any Director or all Directors of the Manager to acquire benefits by way of the acquisition of units in, or debentures of Axis-REIT, nor did such arrangement subsist at any time during the financial year.

Since the end of the previous financial year, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by the Fund or a related corporation with the Director, or with a firm in which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 23 of the audited financial statements of Axis-REIT.

MANAGER'S REPORT

DIRECTORS' INTERESTS

The interests of the Directors of the Manager in the units of Axis-REIT in respect of FYE2025 are as follows:

	Number of units			As at 31.12.2025 '000 Units
	As at 1.1.2025 '000 Units	Acquired '000 Units	Sold '000 Units	
Direct interest:				
Dato' Abas Carl Gunnar Bin Abdullah	23,499	168	-	23,667
Tew Peng Hwee @ Teoh Peng Hwee	57,002	408	(810)	56,600
Leong Kit May #	44	-	-	44
Jancis Anne Que Lao	2,944	565	-	3,509
Maxine Teoh Sui Vern	8	-	-	8
Devika A/P K Sothinathan #	11	-	-	11
Takim Khan Myhre	346	2	-	348
Indirect interest:				
Dato' Abas Carl Gunnar Bin Abdullah *	10,717	893	-	11,610

Notes:

- (i) The information above was prepared based on the Directors' disclosures made pursuant to the provisions of the Fourth Principal Deed dated 17 January 2020 constituting Axis-REIT ("Deed")
- (ii) Save as disclosed above, the other Directors of the Manager did not have any interest, whether direct or indirect, in the units of Axis-REIT
- (iii) # There was acquisition of units during the year, amount of which was less than 1,000 units
- (iv) * Deemed interested in the direct unitholdings of his spouse, Datin Kuyas Emiloglu (also known as Ka Ya-Shih), and daughter, Amanda Tan Myhre

MANAGER'S FEES

The Manager receives a fee equivalent to 1.0% per annum of the NAV of Axis-REIT, calculated on a monthly basis and payable to the Manager monthly in arrears. There will be no payment due to the Manager by way of remuneration for its services upon the subscription for the purchase or sale of units in Axis-REIT or upon any distribution of income and capital.

Any increase in the Manager's fee above 1.0% per annum must be approved by the Trustee of Axis-REIT and Unitholders by way of a majority resolution (consisting of not less than two-thirds of Unitholders voting thereat) passed at a Unitholders' meeting convened in accordance with the Deed.

For the financial year under review, the total Manager's fee was RM33,464,000, representing 1.0% per annum of the NAV of Axis-REIT for the period from 1 January 2025 to 31 December 2025.

The Manager is also entitled to an acquisition and disposal fee of 1.0% and 0.5% respectively based on the purchase and disposal considerations of real estate assets upon the completion of such transactions. For the financial year under review, there was one acquisition and one disposal and acquisition fee and disposal fee for FYE2025 is RM388,000 and RM121,000, respectively.

Save for the expenses incurred for the general overheads and costs of services which the Manager is expected to provide, or falling within the normal expertise of the Manager, the Manager has the right to be reimbursed for fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of the Fund.

MANAGER'S REPORT

SOFT COMMISSION

The Manager did not receive any soft commissions from any dealer or broker by virtue of transactions conducted for the Fund during the financial year under review.

OTHER INFORMATION

Before the financial statements of Axis-REIT were prepared, the Manager took reasonable steps:

- i) to ascertain that appropriate action had been taken in relation to writing off bad debts and making provisions for doubtful debts and was satisfied that all known bad debts had been written off and that adequate provisions had been made for doubtful debts; and
- ii) to ensure that all current assets which were unlikely to be realised in the ordinary course of business, including the value of current assets as shown in the accounting records of Axis-REIT, had been stated at the lower of cost and net realisable value.

As at the date of this report, the Manager is not aware of any circumstances:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts inadequate to a substantial extent; and
- ii) that would render the values attributed to the current assets in Axis-REIT's financial statements misleading; and
- iii) which have arisen that would render adherence to the existing method of valuation of assets or liabilities of Axis-REIT misleading or inappropriate; and
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of Axis-REIT misleading.

As at the date of this report, there does not exist:

- i) any charge on the assets of Axis-REIT that has arisen since the end of the financial year and which secures the liabilities of any other person; and
- ii) any contingent liability in respect of Axis-REIT that has arisen since the end of the financial year.

In the opinion of the Manager:

- i) no contingent liability or other liability of Axis-REIT has become enforceable, or is likely to become enforceable within the 12-month period after the end of FYE2025 which, in the opinion of the Manager, will or may affect the ability of Axis-REIT to meet its obligations as and when they fall due; and
- ii) the results of the operations of Axis-REIT for the FYE2025 have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- iii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report, that is likely to substantially affect the results of the operations of Axis-REIT for the financial year in which this report is made.

MANAGER'S REPORT

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to continue in office.

Signed for and on behalf of the Manager of Axis-REIT, Axis REIT Managers Berhad, in accordance with a resolution of the Board of Directors.

Tew Peng Hwee @ Teoh Peng Hwee
Director

Leong Kit May
Chief Executive Officer/Executive Director

Date: 27 February 2026

STATEMENT OF FINANCIAL POSITION

as at 31 December 2025

	Note	2025 RM'000	2024 RM'000
Assets			
Non-current assets			
Investment properties	4	5,237,020	5,090,820
Equipment	5	1,149	1,112
		5,238,169	5,091,932
Current assets			
Receivables, deposits and prepayments	6	40,214	22,937
Islamic deposits placed with licensed banks (pledged)	7	25,564	19,484
Cash and cash equivalents	7	52,346	101,205
		118,124	143,626
Asset classified as held for sale	8	-	23,000
Total current assets		118,124	166,626
Total assets		5,356,293	5,258,558
Financed by:			
Unitholders' funds			
Unitholders' capital	9	2,599,605	2,574,166
Reserves		823,852	724,930
Total unitholders' funds		3,423,457	3,299,096
Non-current liabilities			
Tenants' deposits		80,381	71,870
Deferred tax liabilities	10	21,639	20,283
Financing	11	935,809	934,944
		1,037,829	1,027,097
Current liabilities			
Tenants' deposits		28,142	34,050
Payables and accruals	12	69,138	82,815
Financing	11	797,727	815,500
Total current liabilities		895,007	932,365
Total liabilities		1,932,836	1,959,462
Total unitholders' funds and liabilities		5,356,293	5,258,558
Net asset value ("NAV")			
- Before income distribution		3,423,457	3,299,096
- After income distribution	#	3,367,772	3,273,562
Number of units in circulation ('000 units)		2,024,895	2,010,492
NAV per unit (RM)			
- Before income distribution		1.6907	1.6409
- After income distribution	#	1.6632	1.6282

NAV and NAV per unit after reflecting 2025 final income distribution of 2.75 sen per unit paid on 27 February 2026.

The notes on pages 226 to 274 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	13	364,986	322,154
Property operating expenses	14	(48,775)	(45,537)
Net property income		316,211	276,617
Profit and other income		2,611	1,624
Net gain/(loss) on disposal of investment property		867	(2,428)
Change in fair value of investment properties	4.2.1	82,887	45,738
Fair value change on Islamic derivatives		(4,156)	(2,669)
Net (loss)/gain on financial liabilities measured at amortised cost		(2,021)	3,576
Net property income and investment income		396,399	322,458
Manager's fees	1(b)	33,464	28,999
Trustee's fees	1(c)	1,069	918
Audit fees		185	160
Non-audit fees			
- KPMG PLT		22	22
- Local affiliate of KPMG PLT		351	221
Tax agent's fees		19	18
(Reversal)/net remeasurement of loss allowance and bad debts		(7)	536
Depreciation of equipment	5	288	359
Administrative expenses		3,429	2,968
Islamic financing costs		71,398	74,433
Valuation fees		1,547	1,282
Non-property expenses		111,765	109,916
Net income before tax		284,634	212,542
Tax expense	15	(2,558)	(2,536)
Net income for the year and total comprehensive income for the year attributable to unitholders		282,076	210,006
Net income for the year is made up as follows:			
Realised			
- Net income before lease incentive adjustment		204,981	162,777
- Lease incentive adjustment (non-distributable)		(457)	(554)
- Real Property Gains Tax on disposal of investment property		(1,202)	(557)
		203,322	161,666
Unrealised			
- Change in fair value of investment properties, as per valuation	4.2	86,287	49,412
- Net (loss)/gain on financial liabilities measured at amortised cost		(2,021)	3,576
- Provision for deferred tax on change in fair value of investment properties		(1,356)	(1,979)
- Fair value change on Islamic derivatives		(4,156)	(2,669)
		78,754	48,340
		282,076	210,006
Basic/diluted earnings per unit (sen)	16	13.96	11.80
Basic/diluted earnings per unit (before Manager's fees) (sen)	16	15.63	13.43

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Net income distribution			
First, Second and Third interim income distributions totalling 7.80 sen per unit paid on 30 May 2025, 29 August 2025 and 19 December 2025, respectively (2024: First, Second, Third and Fourth interim income distributions totalling 8.00 sen per unit paid on 31 May 2024, 30 August 2024 and 29 November 2024 (in respect of Third and Fourth interim income distributions), respectively)		157,620	139,799
Final income distribution of 2.75 sen per unit paid on 27 February 2026 (2024: Final income distribution of 1.27 sen per unit payable on 25 March 2025).		55,685	25,534
	17	213,305	165,333
Distribution per unit			
- Gross (sen) - interim		7.80	8.00
- final		2.75	1.27
	17	10.55	9.27
- Net (sen) * - interim		7.80	8.00
- final		2.75	1.27
	17	10.55	9.27

* The withholding tax concession previously applicable to income distributions by Malaysian REITs expired on 31 December 2025. In the absence of further extension of withholding tax concession on income distribution to unitholders, the withholding tax rate or income tax rate on distribution income are as follows:

Unitholder	Withholding tax rate (from 1 January 2026)
Tax resident company	Nil ^
Resident unitholder other than a tax resident company	Nil Δ
Non-resident company	24%
Non-resident institutional investor	Nil Δ
Non-resident other than company and institutional investors	Nil Δ

^ Tax flow through; thus no withholding tax

Δ The unitholders are responsible for declaring the distribution in their tax return

The above is subject to any future directive issued by the Ministry of Finance and/or the Inland Revenue Board of Malaysia.

The withholding tax applicable for preceding financial year was deducted for distributions made to the following categories of unitholders:

Unitholder	Withholding tax rate 2024
Resident corporate	Nil^
Resident non-corporate	10%
Non-resident individual	10%
Non-resident corporate	24%
Non-resident institutional	10%

^ Tax flow through; thus no withholding tax

The notes on pages 226 to 274 are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE

for the year ended 31 December 2025

	<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 year	-	161,666	48,340	210,006
Realisation of unrealised income	-	3,051	(3,051)	-
Total comprehensive income for the year	-	164,717	45,289	210,006
<i>Contributions by and distributions to unitholders</i>				
Issuance of units	449,730	-	-	449,730
Issuing expenses	(4,904)	-	-	(4,904)
Distributions to unitholders	-	(181,738)	-	(181,738)
Total transactions with unitholders	444,826	(181,738)	-	263,088
At 31 December 2024/1 January 2025	2,574,166	14,269	710,661	3,299,096
Net income for the year	-	203,322	78,754	282,076
Realisation of unrealised income	-	9,160	(9,160)	-
Total comprehensive income for the year	-	212,482	69,594	282,076
<i>Contributions by and distributions to unitholders</i>				
Issuance of units	25,885	-	-	25,885
Issuing expenses	(446)	-	-	(446)
Distributions to unitholders	-	(183,154)	-	(183,154)
Total transactions with unitholders	25,439	(183,154)	-	(157,715)
At 31 December 2025	2,599,605	43,597	780,255	3,423,457

Note 9

STATEMENT OF CASH FLOWS

for the year ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Cash flows from operating activities			
Net income before tax		284,634	212,542
<i>Adjustments for:</i>			
Islamic financing costs		71,398	74,433
Profit income and other income		(2,611)	(1,624)
Net (gain)/loss on disposal of investment property		(867)	2,428
Change in fair value of investment properties	4	(86,287)	(49,412)
Depreciation of equipment	5	288	359
Net loss/(gain) on financial liabilities measured at amortised cost		2,021	(3,576)
(Reversal)/net remeasurement of loss allowance and bad debts		(7)	536
Fair value change on Islamic derivatives		4,156	2,669
Operating income before changes in working capital		272,725	238,355
Changes in working capital:			
Receivables, deposits and prepayments		(17,270)	2,077
Payables and accruals		(17,833)	42,005
Tenants' deposits		582	24,140
Net cash from operating activities		238,204	306,577
Cash flows from investing activities			
Profit and other income received		2,611	1,624
Acquisition of investment properties	4	(39,412)	(730,152)
Net proceeds from disposal of investment property		23,867	156,572
Real Properties Gain Tax on gain on disposal of investment property		(1,202)	(557)
Enhancement and development of investment properties	4	(20,501)	(49,136)
Acquisition of equipment	5	(325)	(80)
Increase in pledged Islamic deposits		(6,080)	-
Net cash used in investing activities		(41,042)	(621,729)
Cash flows from financing activities			
Islamic financing cost paid		(70,210)	(73,166)
Net proceeds from financing		299,562	194,223
Repayment of financing		(317,658)	-
Repayment of hire purchase liabilities		-	(20)
Income distribution paid to unitholders		(183,154)	(181,738)
Proceeds from issuance of units		25,885	449,730
Issuing expenses		(446)	(4,904)
Net cash (used in)/from financing activities		(246,021)	384,125
Net (decrease)/increase in cash and cash equivalents		(48,859)	68,973
Cash and cash equivalents at 1 January		101,205	32,232
Cash and cash equivalents at 31 December	7	52,346	101,205

The notes on pages 226 to 274 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Axis Real Estate Investment Trust (“Axis-REIT”) is a Malaysia-domiciled real estate investment trust constituted pursuant to the Fourth Principal Deed dated 17 January 2020 (“the Deed”) between Axis REIT Managers Berhad (“the Manager”) and RHB Trustees Berhad (“the Trustee”). The Deed is regulated by the Securities Commission Act, 1993, the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts, the Listing Requirements of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings. Axis-REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 26 of the Deed. The addresses of its registered office and principal place of business are as follows:

Registered office

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

Principal place of business

Penthouse, Menara Axis
No. 2, Jalan 51A/223
46100 Petaling Jaya
Selangor Darul Ehsan

The financial statements as at and for the financial year ended 31 December 2025 comprise the financial statements of Axis-REIT and its wholly owned subsidiaries, Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad, companies incorporated in Malaysia, whose principal activity is to raise financing for and on behalf of Axis-REIT. During the financial year, Axis REIT Sukuk Two Berhad has commenced its business operations.

Axis-REIT is principally engaged in investing in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and long-term capital growth. There has been no significant change in the nature of this activity during the year.

Axis-REIT was formally admitted to the Main Board of Bursa Malaysia Securities Berhad on 3 August 2005.

Axis-REIT entered into several service agreements in relation to the management of Axis-REIT and its property operations. The fee structure of these services is as follows:

(a) Property management fees

The Property Manager, Axis Property Services, is entitled to a fee in respect of the management of the investment properties owned by Axis-REIT as provided for in the Deed. The fee is based on a certain graduated scale as provided for in the provisions of the revised Valuers, Appraisers and Estate Agents Act, 1981 as required by the Securities Commission’s Guidelines on Listed Real Estate Investment Trusts. The property management fees are payable monthly in arrears.

(b) Manager’s fees

Pursuant to the Deed, the Manager is entitled to receive a fee of up to a maximum of 1% (2024: 1%) per annum of the Net Asset Value of Axis-REIT, calculated on a monthly accrual basis and payable monthly in arrears. The Manager’s fees for the year ended 31 December 2025 of RM33,464,000 (2024: RM28,999,000) is 1% (2024: 1%) of the monthly Net Asset Value.

The Manager is also entitled to receive an acquisition fee or a disposal fee of 1% or 0.5% (2024: 1% or 0.5%) of the purchase price or the disposal price, respectively, of any investment property purchased or disposed directly or indirectly by Axis-REIT which is payable after the completion of the acquisition or the disposal. The acquisition fee and disposal fee for the financial year ended 31 December 2025 is RM388,000 (2024: RM7,194,000) and RM121,000 (2024: RM810,000) which was 1% of the purchase price and 0.5% of the disposal price, respectively. The acquisition fee is included in the acquisition cost of the investment properties acquired (Note 4).

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL (CONTINUED)

(c) Trustee's fees

Pursuant to the Deed, the Trustee is entitled to receive a fee of 0.05% (2024: 0.05%) per annum of the Net Asset Value of Axis-REIT calculated on a monthly accrual basis and payable monthly in arrears. Effective from 1 October 2022, the fee has been adjusted from 0.05% to 0.03% per annum. The Trustee's fee for the year ended 31 December 2025 is RM1,069,000 (2024: RM918,000).

These financial statements were approved by the Board of Directors of the Manager on 27 February 2026.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of Axis-REIT have been prepared in accordance with the Deed, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by Axis-REIT:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
 - Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards*
 - Amendments to MFRS 7, *Financial Instruments: Disclosures*
 - Amendments to MFRS 9, *Financial Instruments*
 - Amendments to MFRS 10, *Consolidated Financial Statements*
 - Amendments to MFRS 107, *Statement of Cash Flows*
 - Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures*)
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

NOTES TO THE FINANCIAL STATEMENTS

2. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

Axis-REIT plans to apply the abovementioned accounting standards, interpretations and amendments, where applicable:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026, and
- from the annual period beginning on 1 January 2027 for the accounting standard and amendments, that are effective for annual periods beginning on or after 1 January 2027, except for MFRS 19 *Subsidiaries without Public Accountability: Disclosures* and amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency* which are not applicable to Axis-REIT.

The initial application of the abovementioned accounting standards, amendments and interpretations are not expected to have any material financial impact to the current period and prior period financial statements of Axis-REIT.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following items, which are measured based on the measurement bases stated below:

Item	Measurement bases
Islamic derivative financial instruments	Fair value
Investment properties	Fair value

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the functional currency of Axis-REIT. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements other than as disclosed in Note 4 – Investment properties.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policy information is as set out below.

(a) Basis of consolidation

(i) Subsidiaries

Axis-REIT has established two special purpose companies, Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad, for the purpose of raising financing on behalf of Axis-REIT. Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad are consolidated as if they are subsidiaries of Axis-REIT.

(ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the financial statements of Axis-REIT.

(b) Investment properties

Investment properties carried at fair value

Investment properties are properties which are owned or right-of-use asset held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised financing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by Axis-REIT as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, Axis-REIT added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(c) Equipment

(i) Recognition and measurement

Items of equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(ii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of equipment from the date that they are available for use. The estimated useful lives for the current and comparative periods are as follows:

• Office equipment, furniture and fittings	10 years
• Car park machines	10 years
• Software	10 years

(d) Leases

(i) Definition of a lease

At inception or on reassessment of a contract that contains a lease component, Axis-REIT allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which Axis-REIT is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessor

When Axis-REIT acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Axis-REIT makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, Axis-REIT applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When Axis-REIT is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which Axis-REIT applies the exemption described above, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(d) Leases (continued)

(iii) Subsequent measurement

(a) As a lessor

Axis-REIT recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of “revenue”.

(e) Impairment

(i) Financial assets

Axis-REIT recognises loss allowances for expected credit losses on financial assets measured at amortised cost and tenancy contract assets. Expected credit losses are a probability-weighted estimate of credit losses.

Axis-REIT measures loss allowances at an amount equal to lifetime expected credit loss which are the expected credit losses that result from all possible default events over the expected life of the asset, except for cash and cash equivalents. The credit risk of cash and cash equivalents which have not increased significantly since initial recognition are measured at 12-month expected credit loss.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, Axis-REIT assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when Axis-REIT determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Axis-REIT’s procedures for recovery of amounts due.

(ii) Other assets

The carrying amounts of other assets (except for investment properties that are measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

(f) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issuing expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(f) Equity instruments (continued)

(ii) Units

Units are classified as equity.

(g) Revenue and other income

(i) Rental income

Rental income consists of income from the leasing of investment properties.

Rental income from investment properties is recognised in profit or loss on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased assets. Lease incentives are recognised as an integral part of the total rental income, over the term of the lease.

(ii) Car park income

Car park income is recognised upon collection for daily parking and over time when services are delivered for season parking.

(iii) Other income

Other income consists of income from services, signage rental, compensation charges and other associated income. Other income is recognised over time when services are delivered.

(iv) Profit income

Profit income is recognised as it accrues using the effective profit method in profit or loss.

(h) Expenses

(i) Property expenses

Property expenses consist of property management fees, quit rent and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of Axis-REIT.

Property management fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(a).

(ii) Manager's fees

Manager's fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(b).

(iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula, as stipulated in Note 1(c).

NOTES TO THE FINANCIAL STATEMENTS

3. MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

(i) Islamic financing costs

Islamic financing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective profit method.

Islamic financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of Islamic financing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, Islamic financing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of Islamic financing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific Islamic financing pending their expenditure on qualifying assets is deducted from the Islamic financing costs eligible for capitalisation.

(j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(b), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

(k) Fair value measurement

When measuring the fair value of an asset or a liability, Axis-REIT uses observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation techniques as follows:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities that Axis-REIT can access at the measurement date.
- Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3:** unobservable inputs for the asset or liability.

Axis-REIT recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES

	Note	2025 RM'000	2024 RM'000
Land and buildings at fair value:			
At 1 January		5,090,820	4,444,120
Acquisitions		39,412	730,152
Disposal		-	(159,000)
Enhancements		20,501	18,251
Development		-	30,885
Change in fair value		86,287	49,412
Reclassification as asset held for sale	8	-	(23,000)
At 31 December		5,237,020	5,090,820

Included in acquisitions during the year is RM388,000 (2024: RM7,194,000) which relates to acquisition fee paid to the Manager (Note 1(b)).

Included in the enhancement and development costs are costs incurred on Menara Axis of RM6,601,000 (2024: Nil) for the extension of the land tenure to 99 years, pending the issuance of the final title and the capitalised financing costs of Nil (2024: RM918,000).

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2025

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2025 %	Fair value as at 31.12.2025 RM'000	Cost of investment as at 31.12.2025 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2025 %
Menara Axis (e) y	Leasehold	99	40	Petaling Jaya	Commercial office	60.33	120,000	98,522	3.5
Crystal Plaza (c) ^	Leasehold	99	34	Petaling Jaya	Commercial office	92.49	114,000	74,691	3.3
Axis Business Park (d) ^	Leasehold	99	35	Petaling Jaya	Office/Industrial	85.87	127,000	102,546	3.7
Infinite Center (h) ^	Leasehold	99	40	Petaling Jaya	Office/Industrial	94.97	47,300	37,424	1.4
Wisma Kemajuan (b) ^	Leasehold	99	40	Petaling Jaya	Office/Industrial	70.04	70,000	37,960	2.0
Axis Business Campus (c) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	69.00	81,500	63,545	2.4
Axis Shah Alam Distribution Centre 1 (m) ^^	Freehold	-	-	Shah Alam	Manufacturing facilities	100.00	44,000	23,429	1.3
Axis Hypermarket @ Sungai Petani (g) ^	Freehold	-	-	Sungai Petani	Hypermarket	100.00	53,300	39,325	1.6
FCI Senai (c) ^	Leasehold	60	42	Senai, Johor	Manufacturing facilities	100.00	27,200	12,693	0.8
Fonterra HQ (a) ^	Freehold	-	-	Shah Alam	Office/Industrial	84.71	25,300	11,264	0.7
Quattro West (b) ^	Leasehold	99	47	Petaling Jaya	Commercial office	100.00	61,800	52,389	1.8
Strateq Data Centre (h) ^	Leasehold	99	43	Petaling Jaya	Office/Industrial	100.00	70,100	42,927	2.0
D21 Industrial Facility (e) ^	Leasehold	60	30	Tanjung Pelepas	Manufacturing facilities	100.00	52,300	51,131	1.5
Niro Warehouse (a)	Leasehold	60	26	Pasir Gudang	Logistics warehouse	100.00	30,640	17,051	0.9
Pasir Gudang Logistics Warehouse 1 (a)	Leasehold	60	42	Pasir Gudang	Logistics warehouse	100.00	24,700	14,049	0.7
Axis Vista (b) ^	Leasehold	99	41	Petaling Jaya	Office/Industrial	100.00	62,000	37,806	1.8
Axis Northport Distribution Centre 1 (e) ^	Leasehold	99	77	Klang	Logistics warehouse	100.00	99,000	68,075	2.9

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2025 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2025 %	Fair value as at 31.12.2025 RM'000	Cost of investment as at 31.12.2025 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2025 %
Bukit Raja Distribution Centre (h)	Freehold	-	-	Klang	Logistics warehouse	-	121,600	81,037	3.6
Seberang Prai Logistics Warehouse 1 (n) ^	Leasehold	60	28	Seberang Prai	Logistics warehouse	100.00	27,000	17,918	0.8
Seberang Prai Logistics Warehouse 2 (n) ^	Leasehold	60	28	Seberang Prai	Logistics warehouse	-	10,600	7,404	0.3
Axis Hypermarket @ Johor (a) ^	Freehold	-	-	Johor Bahru	Hypermarket	100.00	114,800	76,997	3.4
Axis Mega Distribution Centre (d) ^^	Leasehold	99	66	Kuala Langat	Logistics warehouse	100.00	455,000	381,005	13.3
Axis Technology Centre (e) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	97.01	70,300	59,035	2.1
D8 Logistics Warehouse (c) ^	Leasehold	60	30	Johor Bahru	Logistics warehouse	100.00	41,500	31,787	1.2
Bayan Lepas Distribution Centre (j) ^	Leasehold	60	37	Bayan Lepas	Logistics warehouse	100.00	74,000	51,100	2.2
Seberang Prai Logistics Warehouse 3 (g)	Leasehold	60	27/43	Seberang Prai	Logistics warehouse	100.00	85,000	64,982	2.5
Emerson Industrial Facility Nilai (l) ^	Leasehold	99	70	Nilai	Manufacturing facilities	100.00	48,500	27,509	1.4
Wisma Academy Parcel (c) ^	Leasehold	99	37	Petaling Jaya	Office/Industrial	82.03	76,000	77,326	2.2
Axis Industrial Facility 1 @ Shah Alam (h) ^	Leasehold	99	60	Shah Alam	Office/Industrial	71.41	51,680	54,294	1.5
Axis Shah Alam Distribution Centre 3 (a)	Freehold	-	-	Shah Alam	Logistics warehouse	96.20	211,600	205,728	6.2
Axis Shah Alam Distribution Centre 2 (d) ^	Leasehold	99	41	Shah Alam	Logistics warehouse	100.00	54,000	47,972	1.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2025 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2025 %	Fair value as at 31.12.2025 RM'000	Cost of investment as at 31.12.2025 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2025 %
Beyonics i-Park Campus Block A (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	21,000	14,469	0.6
Beyonics i-Park Campus Block B (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	19,000	13,115	0.6
Beyonics i-Park Campus Block C (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	17,500	12,055	0.5
Beyonics i-Park Campus Block D (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	31,000	22,504	0.9
Axis Industrial Facility @ Rawang (b) ^	Freehold	-	-	Rawang	Manufacturing facilities	100.00	64,000	52,742	1.9
Kerry Warehouse (c) ^	Leasehold	60	48	Johor Bahru	Logistics warehouse	100.00	41,000	36,384	1.2
Wasco Facility @ Kuantan (a) ^	Leasehold	99	84	Kuantan	Manufacturing facilities	100.00	165,000	157,619	4.8
Axis Aeratech Centre @ Subang (b)	Leasehold	49	41	Subang	Manufacturing facilities	100.00	104,000	72,953	3.0
Axis Shah Alam Distribution Centre 4 (c) ^^	Freehold	-	-	Shah Alam	Logistics warehouse	100.00	97,700	88,884	2.9
Indahpura Facility 1 (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	9,500	7,343	0.3
Beyonics i-Park Campus Block E (c) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	39,800	32,196	1.2
Senawang Industrial Facility (h) ^^	Freehold	-	-	Senawang	Logistics warehouse	100.00	26,800	19,134	0.8
Nusajaya Tech Park Facility 1 (d) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.00	43,000	42,773	1.3
Nusajaya Tech Park Facility 2 (d) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.00	16,500	14,105	0.5

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED) 2025 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2025 %	Fair value as at 31.12.2025 RM'000	Cost of investment as at 31.12.2025 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2025 %
Axis Facility @ Batu Kawan (i)	Leasehold	30	24	Simpang Ampat, Penang	Logistics warehouse	100.00	19,800	15,101	0.6
Axis Facility 2 @ Nilai ^^	Leasehold	99	64	Nilai	Manufacturing facilities	100.00	55,000	51,065	1.6
Axis Facility 2 @ Bukit Raja (m) ^	Leasehold	99	64	Klang	Logistics warehouse	100.00	53,500	47,780	1.6
D37c Logistics Warehouse (a) ^^	Leasehold	41	30	Tanjung Pelepas	Logistics warehouse	100.00	69,000	66,149	2.0
Axis Shah Alam Distribution Centre 5 (d) ^	Leasehold	99	49	Shah Alam	Logistics warehouse	100.00	102,000	96,330	3.0
Axis Industrial Facility 2 @ Shah Alam (b) ^	Leasehold	99	52	Shah Alam	Manufacturing facilities	100.00	19,500	12,256	0.6
Indahpura Facility 2 (a) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	10,000	8,733	0.3
Indahpura Facility 3 (a) ^	Freehold	-	-	Johor Bahru	Office/Industrial	100.00	8,100	6,821	0.2
Beyonics i-Park Campus Block F (c)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	17,500	13,276	0.5
Bukit Raja Distribution Centre 2 (e) ^	Freehold	-	-	Klang	Logistics warehouse	100.00	270,500	236,389	7.9
Xin Hwa Warehouse @ Pasir Gudang (a)	Leasehold	60	49/51	Pasir Gudang	Logistics warehouse	100.00	86,400	76,388	2.5
Pasir Gudang Logistics Warehouse 2 (a)	Leasehold	30	26	Pasir Gudang	Logistics warehouse	100.00	42,500	33,208	1.2
Indahpura Facility 4 (a)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.00	19,000	16,687	0.6
DW1 Logistics Warehouse (a)	Leasehold	38	29	Tanjung Pelepas	Logistics warehouse	100.00	396,200	395,642	11.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2025 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2025 RM'000	Cost of investment as at 31.12.2025 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2025 %
Axis Industrial Facility 1 @ Meru (f) ^	Freehold	-	-	Klang	Manufacturing facilities	100.00	43,600	41,682	1.3
Axis Hypermarket @ Temerloh (b)	Freehold	-	-	Pahang	Hypermarket	100.00	28,200	26,281	0.8
Axis Facility 1 @ Bukit Raja (c)	Leasehold	99	63	Klang	Manufacturing facilities	100.00	51,000	49,882	1.5
Axis Vista 2 (k)	Leasehold	99	42	Petaling Jaya	Office/Industrial	100.00	70,500	70,008	2.1
Axis Industrial Facility @ Batu Caves (k)	Leasehold	99	49	Batu Caves	Office/Industrial	100.00	59,700	56,829	1.7
Axis Industrial Facility @ Sendayan (e)	Freehold	-	-	Seremban	Manufacturing facilities	100.00	52,000	49,033	1.5
Axis Facility 3 @ Bukit Raja (c)	Leasehold	99	60/66	Klang	Manufacturing facilities	100.00	314,000	317,289	9.2
Axis Facility 1 @ Pulau Indah (e)	Leasehold	99	71	Pelabuhan Klang	Logistics warehouse	100.00	113,000	111,598	3.3
Axis Facility 2 @ Pulau Indah (e)	Leasehold	99	71	Pelabuhan Klang	Logistics warehouse	100.00	49,500	49,232	1.4
Axis Facility 4 @ Bukit Raja (c)	Leasehold	99	63	Klang	Storage yard	-	39,000	39,529	1.1
Total Investment Properties							5,237,020	4,442,385	

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (a) Pasir Gudang Logistics Warehouse 1, Wasco Facility @ Kuantan, Niro Warehouse, DW1 Logistics Warehouse, Xin Hwa Warehouse @ Pasir Gudang, Axis Hypermarket @ Johor, Axis Shah Alam Distribution Centre 3, Fonterra HQ, Indahpura Facility 2, Indahpura Facility 3, Indahpura Facility 4, D37c Logistics Warehouse and Pasir Gudang Logistics Warehouse 2 were valued on 15 July 2025, 29 July 2025, 04 August 2025, 06 August 2025, 23 September 2025, 24 September 2025, 25 September 2025, 29 September 2025, 15 October 2025, 15 October 2025, 16 October 2025 and 12 November 2025, respectively by Rahim & Co. International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Fonterra HQ which was based on the cost method of valuation.
- (b) Axis Industrial Facility 2 @ Shah Alam, Wisma Kemajuan, Axis Vista, Quattro West, Axis Aerotech Centre @ Subang, Axis Hypermarket @ Temerloh and Axis Industrial Facility @ Rawang were valued on 18 July 2025, 21 July 2025, 23 July 2025, 24 September 2025, 25 September 2025, 29 September 2025 and 17 November 2025, respectively by PA International Property Consultants (KL) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Industrial Facility 2 @ Shah Alam and Axis Industrial Facility @ Rawang which was based on the cost method of valuation and Axis Vista which was based on the comparison method of valuation.
- (c) D8 Logistics Warehouse, Crystal Plaza, Wisma Academy Parcel, FCI Senai, Axis Business Campus, Axis Shah Alam Distribution Centre 4, Axis Facility 1 @ Bukit Raja, Axis Facility 3 @ Bukit Raja, Kerry Warehouse, Beyonics i-Park Campus Block E, Beyonics i-Park Campus Block F and Axis Facility 4 @ Bukit Raja were valued on 16 July 2025, 17 July 2025, 5 August 2025, 12 August 2025, 24 September 2025, 3 October 2025, 15 October 2025, 23 October 2025, 23 October 2025, 24 November 2025, 24 November 2025 and 8 December 2025, respectively by Savills (Malaysia) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Facility 4 @ Bukit Raja which was based on the comparison method of valuation.
- (d) Axis Mega Distribution Centre, Axis Business Park, Axis Shah Alam Distribution Centre 5, Nusajaya Tech Park Facility 1 and 2, Axis Facility 2 @ Nilai, Indahpura Facility 1, Axis Shah Alam Distribution Centre 2, Beyonics i-Park Campus Block A, B, C, D, were valued on 1 August 2025, 4 August 2025, 6 August 2025, 23 September 2025, 24 September 2025, 16 October 2025, 17 October 2025, 18 November 2025, 21 November 2025, 21 November 2025 and 21 November 2025, respectively by CBRE WTW Valuation & Advisory Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (e) Bukit Raja Distribution Centre 2, Axis Facility 1 @ Pulau Indah, Axis Facility 2 @ Pulau Indah, Axis Northport Distribution Centre 1, D21 Industrial Facility, Axis Industrial Facility @ Sendayan, Menara Axis and Axis Technology Centre were valued on 16 July 2025, 17 July 2025, 17 July 2025, 14 August 2025, 22 September 2025, 17 October 2025, 13 November 2025 and 19 November 2025, respectively by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for Axis Industrial Facility @ Sendayan, which was based on the cost method of valuation.
- (f) Axis Industrial Facility 1 @ Meru was valued on 16 October 2025, respectively by KGV International Property Consultants (M) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (g) Axis Hypermarket @ Sungai Petani and Seberang Prai Logistics Warehouse 3 were valued on 17 July 2025 and 27 August 2025, respectively by KGV International Property Consultants (PG) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (h) Senawang Industrial Facility, Infinite Center, Axis Industrial Facility 1 @ Shah Alam, Bukit Raja Distribution Centre and Strateq Data Centre were valued on 16 July 2025, 23 September 2025, 3 October 2025, 19 November 2025 and 24 November 2025, respectively by PPC International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for Bukit Raja Distribution Centre which was based on the cost method of valuation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (i) Axis Facility @ Batu Kawan was valued on 14 July 2025 by Zerine Properties Corporate Valuers Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (j) Bayan Lepas Distribution Centre was valued on 19 August 2025, respectively by Knight Frank Malaysia Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (k) Axis Industrial Facility @ Batu Caves and Axis Vista 2 were valued on 7 August 2025 and 12 August 2025, respectively by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the comparison & cost method of valuation.
- (l) Emerson Industrial Facility Nilai was valued on 22 July 2025 by City Valuers & Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (m) Axis Facility 2 @ Bukit Raja and Axis Shah Alam Distribution Centre 1 were valued on 14 October 2025 and 15 October 2025, respectively by Nawawi Tie Leung Property Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (n) Seberang Prai Logistics Warehouse 1 & 2 were valued on 14 August 2025 and 15 August 2025, respectively by Henry Butcher Malaysia (Penang) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the cost method of valuation.
- ^ These properties are charged to financial institutions for revolving credit and term financing facilities granted to Axis-REIT (Note 11).
- ^^ These properties are pledged as security for the Islamic Medium Term Notes (“Sukuk”) (Note 11).
- γ The land tenure of Menara Axis has been extended to 99 years, subject to the issuance of the final title.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024		Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
						%	%			
Menara Axis (e)	Leasehold	99	41	Petaling Jaya	Commercial office	54.1		112,500	91,729	3.4
Crystal Plaza (b) ^	Leasehold	99	35	Petaling Jaya	Commercial office	86.5		113,000	74,680	3.4
Axis Business Park (a) ^	Leasehold	99	36	Petaling Jaya	Office/Industrial	90.7		123,000	102,416	3.7
Infinite Center (f) ^	Leasehold	99	41	Petaling Jaya	Office/Industrial	95.0		46,500	37,424	1.4
Wisma Kemajuan (b) ^	Leasehold	99	41	Petaling Jaya	Office/Industrial	63.8		67,000	37,960	2.0
Axis Business Campus (c) ^	Leasehold	99	43	Petaling Jaya	Office/Industrial	74.8		81,400	63,535	2.5
Axis Shah Alam Distribution Centre 1 (c) ^^	Freehold	-	-	Shah Alam	Manufacturing facilities	100.0		43,000	23,424	1.3
Axis Hypermarket @ Sungai Petani (j) ^	Freehold	-	-	Sungai Petani	Hypermarket	100.0		52,000	39,176	1.6
FCI Senai (d) ^	Leasehold	60	43	Senai, Johor	Manufacturing facilities	100.0		26,700	12,693	0.8
Fonterra HQ (b) ^	Freehold	-	-	Shah Alam	Office/Industrial	84.7		25,200	11,264	0.8
Quattro West (e) ^	Leasehold	99	48	Petaling Jaya	Commercial office	100.0		61,800	52,207	1.9
Strateq Data Centre (e) ^	Leasehold	99	44	Petaling Jaya	Office/Industrial	100.0		70,000	42,927	2.1
D21 Industrial Facility (formerly known as D21 Logistics Warehouse) (e) ^	Leasehold	60	31	Tanjung Pelepas	Manufacturing facilities	100.0		52,000	50,886	1.6
Niro Warehouse (d)	Leasehold	60	27	Pasir Gudang	Logistics warehouse	100.0		29,200	17,051	0.9
Pasir Gudang Logistics Warehouse 1 (d)	Leasehold	60	43	Pasir Gudang	Logistics warehouse	100.0		23,700	14,049	0.7
Axis Vista (b) ^	Leasehold	99	42	Petaling Jaya	Office/Industrial	100.0		62,000	37,806	1.9
Axis Northport Distribution Centre 1 (e) ^	Leasehold	99	78	Klang	Logistics warehouse	100.0		97,900	68,075	3.0
Bukit Raja Distribution Centre (f)	Freehold	-	-	Klang	Logistics warehouse	100.0		118,000	80,980	3.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Seberang Prai Logistics Warehouse 1 (g) ^	Leasehold	60	29	Seberang Prai	Logistics warehouse	100.0	25,250	17,821	0.8
Seberang Prai Logistics Warehouse 2 (g) ^	Leasehold	60	29	Seberang Prai	Logistics warehouse	100.0	10,020	7,404	0.3
Axis Hypermarket @ Johor (c) ^	Freehold	-	-	Johor Bahru	Hypermarket	100.0	112,800	76,997	3.4
Axis Mega Distribution Centre (c) ^^	Leasehold	99	67	Kuala Langat	Logistics warehouse	68.9	444,000	378,198	13.5
Axis Technology Centre (a) ^	Leasehold	99	43	Petaling Jaya	Office/Industrial	95.2	67,300	55,405	2.0
D8 Logistics Warehouse (d) ^	Leasehold	60	31	Johor Bahru	Logistics warehouse	100.0	40,500	31,787	1.2
Bayan Lepas Distribution Centre (j) ^	Leasehold	60	38	Bayan Lepas	Logistics warehouse	100.0	70,000	51,100	2.1
Seberang Prai Logistics Warehouse 3 (g)	Leasehold	60	28/44	Seberang Prai	Logistics warehouse	100.0	85,000	64,982	2.6
Emerson Industrial Facility Nilai (l) ^	Leasehold	99	71	Nilai	Manufacturing facilities	100.0	47,900	27,509	1.5
Wisma Academy Parcel (c) ^	Leasehold	99	38	Petaling Jaya	Office/Industrial	76.1	75,500	77,326	2.3
The Annex (k) ^	Leasehold	99	38	Petaling Jaya	Office/Industrial	60.4	23,000	13,840	0.7
Axis Industrial Facility 1 @ Shah Alam (h) ^	Leasehold	99	61	Shah Alam	Office/Industrial	76.2	51,000	53,964	1.5
Axis Shah Alam Distribution Centre 3 (a)	Freehold	-	-	Shah Alam	Logistics warehouse	96.2	208,400	201,725	6.3
Axis Shah Alam Distribution Centre 2 (d) ^	Leasehold	99	42	Shah Alam	Logistics warehouse	100.0	53,000	47,688	1.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Beyonics i-Park Campus Block A (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	20,500	14,469	0.6
Beyonics i-Park Campus Block B (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	18,500	13,115	0.6
Beyonics i-Park Campus Block C (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	17,000	12,055	0.5
Beyonics i-Park Campus Block D (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	31,000	22,504	0.9
Axis Industrial Facility @ Rawang (k) ^	Freehold	-	-	Rawang	Manufacturing facilities	100.0	63,200	52,151	1.9
Kerry Warehouse (d) ^	Leasehold	60	49	Johor Bahru	Logistics warehouse	100.0	40,500	36,384	1.2
Wasco Facility @ Kuantan (a) ^	Leasehold	99	85	Kuantan	Manufacturing facilities	100.0	165,000	157,619	5.0
Axis Aertotech Centre @ Subang (b)	Leasehold	49	42	Subang	Manufacturing facilities	100.0	93,700	72,868	2.8
Axis Shah Alam Distribution Centre 4 (c) ^^	Freehold	-	-	Shah Alam	Logistics warehouse	100.0	97,600	88,679	3.0
Indahpura Facility 1 (d) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	9,500	7,343	0.3
Beyonics i-Park Campus Block E (c) ^	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	39,000	32,099	1.2
Senawang Industrial Facility (h) ^^	Freehold	-	-	Senawang	Logistics warehouse	100.0	26,200	19,134	0.8
Nusajaya Tech Park Facility 1 (d) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.0	42,500	42,773	1.3
Nusajaya Tech Park Facility 2 (d) ^	Freehold	-	-	Iskandar Puteri, Johor	Manufacturing facilities	100.0	16,000	14,105	0.5
Axis Facility @ Batu Kawan (i)	Leasehold	30	25	Simpang Ampat, Penang	Logistics warehouse	100.0	19,800	15,003	0.6

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED) 2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Axis Facility 2 @ Nilai (f) ^^	Leasehold	99	65	Nilai	Manufacturing facilities	100.0	52,950	51,065	1.6
Axis Facility 2 @ Bukit Raja (e) ^	Leasehold	99	65	Klang	Logistics warehouse	100.0	53,500	47,733	1.6
D37c Logistics Warehouse (d) ^^	Leasehold	41	31	Tanjung Pelepas	Logistics warehouse	100.0	68,000	66,149	2.1
Axis Shah Alam Distribution Centre 5 (d) ^	Leasehold	99	50	Shah Alam	Logistics warehouse	100.0	100,000	96,330	3.0
Axis Industrial Facility 2 @ Shah Alam (b) ^	Leasehold	99	53	Shah Alam	Manufacturing facilities	100.0	17,000	12,256	0.5
Indahpura Facility 2 (a)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	9,700	8,733	0.3
Indahpura Facility 3 (a)	Freehold	-	-	Johor Bahru	Office/Industrial	100.0	7,800	6,821	0.2
Beyonics i-Park Campus Block F (c)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	17,200	13,277	0.5
Bukit Raja Distribution Centre 2 (c) ^	Freehold	-	-	Klang	Logistics warehouse	100.0	268,000	236,389	8.1
Xin Hwa Warehouse @ Pasir Gudang (a)	Leasehold	60	50/52	Pasir Gudang	Logistics warehouse	100.0	82,900	76,388	2.5
Pasir Gudang Logistics Warehouse 2 (a)	Leasehold	30	27	Pasir Gudang	Logistics warehouse	100.0	41,000	32,679	1.2
Indahpura Facility 4 (a)	Freehold	-	-	Johor Bahru	Manufacturing facilities	100.0	18,600	16,687	0.6
DW1 Logistics Warehouse (a)	Leasehold	38	30	Tanjung Pelepas	Logistics warehouse	100.0	391,800	395,642	11.9
Axis Industrial Facility 1 @ Meru (d) ^	Freehold	-	-	Klang	Manufacturing facilities	100.0	41,000	41,682	1.2
Axis Hypermarket @ Temerloh (b)	Freehold	-	-	Pahang	Hypermarket	100.0	27,500	26,281	0.8
Axis Facility 1 @ Bukit Raja (c)	Leasehold	99	64	Klang	Manufacturing facilities	100.0	51,000	49,882	1.5

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

2024 (continued)

Property	Tenure of land	Term of lease (Years)	Remaining term of lease (Years)	Location	Existing use	Occupancy rates as at 31.12.2024 %	Fair value as at 31.12.2024 RM'000	Cost of investment as at 31.12.2024 RM'000	Percentage of fair value to Net Asset Value as at 31.12.2024 %
Axis Vista 2 (k)	Leasehold	99	43	Petaling Jaya	Office/Industrial	100.0	69,000	70,008	2.1
Axis Industrial Facility @ Batu Caves (k)	Leasehold	99	50	Batu Caves	Office/Industrial	100.0	56,100	56,829	1.7
Axis Industrial Facility @ Sendayan (e)	Freehold	-	-	Seremban	Manufacturing facilities	100.0	49,000	49,033	1.5
Axis Facility 3 @ Bukit Raja (c)	Leasehold	99	61/67	Klang	Manufacturing facilities	100.0	314,000	317,289	9.5
Axis Facility 1 @ Pulau Indah (e)	Leasehold	99	72	Pelabuhan Klang	Logistics warehouse	100.0	110,400	111,598	3.3
Axis Facility 2 @ Pulau Indah (e)	Leasehold	99	72	Pelabuhan Klang	Logistics warehouse	100.0	48,800	49,232	1.5
Investment property classified as held for sale (Note 8)							5,113,820	4,396,312	
							(23,000)	(13,840)	
Total Investment Properties							5,090,820	4,382,472	

(a) Wasco Facility @ Kuantan, Axis Business Park, DW1 Logistics Warehouse, Indahpura Facility 3, Indahpura Facility 2, Indahpura Facility 4, Xin Hwa Warehouse @ Pasir Gudang, Axis Shah Alam Distribution Centre 3, Pasir Gudang Logistics Warehouse 2 and Axis Technology Centre were valued on 18 July 2024, 20 August 2024, 20 September 2024, 24 September 2024, 25 September 2024, 26 September 2024, 21 October 2024, 29 October 2024, 20 November 2024 and 29 November 2024, respectively by Rahim & Co. International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Technology Centre which was based on the cost method of valuation.

(b) Axis Vista, Axis Aerotech Centre @ Subang, Axis Hypermarket @ Temerloh, Crystal Plaza, Fonterra HQ, Wisma Kemajuan and Axis Industrial Facility 2 @ Shah Alam were valued on 10 July 2024, 12 July 2024, 12 July 2024, 15 July 2024, 7 August 2024 and 13 September 2024, respectively by PA International Property Consultants (KL) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation, except for Axis Industrial Facility 2 @ Shah Alam which was based on the cost method of valuation and Axis Vista which was based on the comparison method of valuation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

- (c) Axis Hypermarket @ Johor, Beyonics i-Park Campus Block E, Beyonics i-Park Campus Block F, Axis Business Campus, Axis Facility 1 @ Bukit Raja, Bukit Raja Distribution Centre 2, Axis Shah Alam Distribution Centre 1, Axis Shah Alam Distribution Centre 4, Wisma Academy Parcel, Axis Facility 3 @ Bukit Raja and Axis Mega Distribution Centre were valued on 24 July 2024, 26 July 2024, 26 July 2024, 6 September 2024, 23 September 2024, 17 October 2024, 22 October 2024, 24 October 2024, 22 November 2024, 2 December 2024 and 06 December 2024, respectively by Savills (Malaysia) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (d) Beyonics i-Park Campus Block A, B, C, D, Indahpura Facility 1, D37c Logistics Warehouse, Nusajaya Tech Park Facility 1 and 2, Axis Shah Alam Distribution Centre 5, D8 Logistics Warehouse, Axis Industrial Facility 1 @ Meru, Axis Shah Alam Distribution Centre 2, Niro Warehouse, FCI Senai, Kerry Warehouse and Pasir Gudang Logistics Warehouse 1 were valued on 20 August 2024, 20 August 2024, 21 August 2024, 27 August 2024, 28 August 2024, 11 September 2024, 25 September 2024, 11 October 2024, 24 October 2024, 24 October 2024, 19 November 2024, 25 November 2024 and 25 November 2024 respectively by CBRE WTW Valuation & Advisory Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (e) Axis Facility 1 @ Pulau Indah, Axis Facility 2 @ Pulau Indah, Strateq Data Centre, Axis Northport Distribution Centre 1, Axis Industrial Facility @ Sendayan, Menara Axis, Axis Facility 2 @ Bukit Raja, D21 Industrial Facility (formerly known as D21 Logistics Warehouse) and Quattro West were valued on 2 July 2024, 2 July 2024, 11 July 2024, 7 August 2024, 26 September 2024, 22 October 2024, 23 October 2024, 23 October 2024 and 26 November 2024, respectively by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation except for Axis Industrial Facility @ Sendayan, which was based on the cost method of valuation.
- (f) Infinite Center, Axis Facility 2 @ Nilai and Bukit Raja Distribution Centre were valued on 17 July 2024, 26 September 2024 and 17 October 2024, respectively by KGV International Property Consultants (M) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (g) Seberang Prai Logistics Warehouse 3, Seberang Prai Logistics Warehouse 1 & 2 were valued on 15 August 2024, 16 August 2024, 16 August 2024, respectively by KGV International Property Consultants (PG) Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the cost method of valuation except for Seberang Prai Logistics Warehouse 3 which was based on the investment method of valuation.
- (h) Axis Industrial Facility 1 @ Shah Alam and Senawang Industrial Facility were valued on 9 August 2024 and 15 August 2024, respectively by PPC International Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (i) Axis Facility @ Batu Kawan was valued on 5 September 2024 by ZerIn Properties Corporate Valuers Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (j) Axis Hypermarket @ Sungai Petani and Bayan Lepas Distribution Centre were valued on 5 July 2024 and 13 August 2024, respectively by Knight Frank Malaysia Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.
- (k) Axis Industrial Facility @ Rawang, Axis Vista 2, Axis Industrial Facility @ Batu Caves and The Annex were valued on 10 July 2024, 19 November 2024, 22 November 2024 and 4 December 2024, respectively by Raine & Horne International Zaki + Partners Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the comparison & cost method of valuation except for Axis Industrial Facility @ Rawang which was based on the cost method of valuation.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

(l) Emerson Industrial Facility Nilai was valued on 25 October 2024 by City Valuers & Consultants Sdn. Bhd., an independent firm of professional valuers, registered with the Board of Valuers, Appraisers & Estate Agents Malaysia using the investment method of valuation.

^ These properties are charged to financial institutions for revolving credit and term financing facilities granted to Axis-REIT (Note 11).

^^ These properties are pledged as security for the Islamic Medium Term Notes (“Sukuk”) (Note 11).

4.1 Income and expenses recognised in profit or loss in respect of investment properties

	Note	2025 RM'000	2024 RM'000
Revenue	13	364,986	322,154
Property operating expenses	14	(48,775)	(45,537)
Change in fair value of investment properties	4.2.1	82,887	45,738

4.2 Fair value information

As at 31 December 2025, the fair value of investment properties amounting to RM5,237,020,000 (2024: RM5,090,820,000) is categorised as Level 3 in accordance with MFRS 13, using unobservable inputs.

Level 3 fair value

The following table shows a reconciliation of Level 3 fair value:

	Note	2025 RM'000	2024 RM'000
At 1 January		5,090,820	4,444,120
Acquisitions		39,412	730,152
Disposal		-	(159,000)
Enhancements		20,501	18,251
Development		-	30,885
Reclassification as asset held for sale		-	(23,000)
		5,150,733	5,041,408
Gains and losses recognised in profit or loss			
Change in fair value - unrealised	4.2.1	86,287	49,412
At 31 December		5,237,020	5,090,820

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Fair value information (continued)

4.2.1 The change in fair value as presented in the profit or loss of RM82,887,000 (2024: RM45,738,000) is after offsetting unbilled lease income receivable amounting to RM3,400,000 (2024: RM3,674,000).

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
a) The investment method considers income and expense data relating to the subject property being valued and estimates value through a capitalisation process. Capitalisation relates to income (usually a net income figure) and a defined value type by converting an income amount into a value estimate. This process may consider direct relationships (known as capitalisation rates), yield or discount rates (reflecting measures of return on investment), or both. In general, the principle of substitution holds that the income stream which produces the highest return commensurate with a given level of risk leads to the most probable value figure.	<ul style="list-style-type: none"> Risk-adjusted term capitalisation rates ranging from 3.00% - 7.25% (2024: 3.00% - 7.50%). Risk-adjusted reversion capitalisation rates of 3.00% - 8.00% (2024: 3.00% - 8.00%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Risk-adjusted term capitalisation rates were lower (higher). Risk-adjusted reversion capitalisation rates were lower (higher).
b) The comparison method considers the sales of similar or substitute properties and related market data, and establishes a value estimate by processes involving comparison. In general, the property being valued is compared with sales of similar properties that have been transacted in the open market. Listing and offering may also be considered. Valuation under this method may be significantly affected by the timing and the characteristics (such as location, accessibility, design, size and condition) of the property transactions used for comparison.	<ul style="list-style-type: none"> Adjusted land value ranging from RM127 per sq. ft. to RM416 per sq. ft. (2024: RM294 per sq. ft. to RM416 per sq. ft.). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> Adjusted land value per sq. ft. was higher (lower).

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.2 Fair value information (continued)

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>c) The cost method considers the summation of the value components of the land and cost of building. The value components of land are estimated based on location, plot size, accessibility and other relevant factors. The cost of building is determined based on current estimates of reconstruction cost less depreciation or replacement cost less depreciation, obsolescence and existing physical condition of the building. The reconstruction or replacement cost of building is derived from estimates of current market prices for materials, labour and present construction techniques. Valuation under this method may be significantly affected by the location of the property and the market prices for materials and labour.</p>	<ul style="list-style-type: none"> • Land value ranging from RM45 per sq. ft. to RM400 per sq. ft. (2024: RM33 per sq. ft. to RM385 per sq. ft.). • Main floor area cost ranging from RM60 per sq. ft. to RM240 per sq. ft. (2024: RM90 per sq. ft. to RM230 per sq. ft.). • Depreciation rates ranging from 2% - 65% (2024: 2% - 70%). 	<p>The estimated fair value would increase (decrease) if:</p> <ul style="list-style-type: none"> • Land value were higher (lower). • Main floor area cost were higher (lower). • Depreciation rates were lower (higher).

Valuation processes applied by Axis-REIT for Level 3 fair value

The fair value of investment properties is determined by external, independent valuers registered with the Securities Commission, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. A valuation is carried out on each property within Axis-REIT's investment property portfolio once every calendar year.

Highest and best use

Axis-REIT's investment properties are office/industrial buildings, logistics warehouses, hypermarkets and manufacturing facilities located in Malaysia. These properties are at their highest and best use, as there are no other factors to suggest that a different use would maximise the value of these investment properties.

NOTES TO THE FINANCIAL STATEMENTS

4. INVESTMENT PROPERTIES (CONTINUED)

4.3 Maturity analysis of operating lease payment receivables

Axis-REIT leases out its investment properties under operating leases. The future minimum lease payment receivable under non-cancellable leases is as follows:

	2025 RM'000	2024 RM'000
Less than one year	325,961	321,406
One to two years	270,637	263,282
Two to three years	201,197	222,436
Three to four years	157,754	174,599
Four to five years	142,028	156,343
More than five years	616,024	759,066
Total undiscounted lease payment receivable	1,713,601	1,897,132

5. EQUIPMENT

	Office equipment, furniture and fittings RM'000	Car park machines RM'000	Software RM'000	Total RM'000
Cost				
At 1 January 2024	1,613	3,959	930	6,502
Additions	15	65	-	80
At 31 December 2024/1 January 2025	1,628	4,024	930	6,582
Additions	69	256	-	325
At 31 December 2025	1,697	4,280	930	6,907
Accumulated depreciation				
At 1 January 2024	800	3,496	815	5,111
Depreciation for the year	161	171	27	359
At 31 December 2024/1 January 2025	961	3,667	842	5,470
Depreciation for the year	164	108	16	288
At 31 December 2025	1,125	3,775	858	5,758
Carrying amounts				
At 1 January 2024	813	463	115	1,391
At 31 December 2024/1 January 2025	667	357	88	1,112
At 31 December 2025	572	505	72	1,149

NOTES TO THE FINANCIAL STATEMENTS

6. RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	2025 RM'000	2024 RM'000
Trade			
Trade receivables		1,580	773
Tenancy contract assets	6.1	1,029	1,486
		2,609	2,259
Non-trade			
Other receivables		2,572	5,357
Deposits	6.2	28,950	9,236
Prepayments		6,083	6,085
		37,605	20,678
		40,214	22,937

6.1 Tenancy contract assets relate to Axis-REIT's rights to rental income for premises that have been occupied by tenants but not yet billed at the reporting date. Rental income is recognised on a straight-line basis, including lease incentive for rent-free period, which is not part of earnings available for distribution. Rental will be billed in accordance with the billing terms as set out in the tenancy agreements.

6.2 Included in deposits is RM25,332,000 (2024: RM6,460,000) paid for potential new acquisitions of investment properties.

7. CASH, ISLAMIC DEPOSITS AND BANK BALANCES

7.1 Islamic deposits placed with licensed banks (pledged)

Islamic deposits placed with licensed banks (pledged) comprises an amount of RM300,000 (2024: RM300,000) which is pledged for banking facilities granted to Axis-REIT (Note 11) and an amount of RM25,264,000 (2024: RM19,184,000) which is maintained in the Finance Service Reserve Accounts with a licensed bank to cover the minimum financing costs for term financing granted to Axis-REIT and the Sukuk issued by Axis-REIT's special purpose companies, Axis REIT Sukuk Berhad and Axis REIT Sukuk Two Berhad, respectively (Note 11).

7.2 Cash and cash equivalents

	2025 RM'000	2024 RM'000
Cash and bank balances	24,351	14,137
Islamic deposits placed with licensed banks	27,995	87,068
Cash and cash equivalents	52,346	101,205

NOTES TO THE FINANCIAL STATEMENTS

8. ASSET CLASSIFIED AS HELD FOR SALE

As at the end of previous financial year, the property classified as asset held for sale had a carrying value of RM23,000,000 (Note 4).

The disposal of the property, The Annex was completed during the financial year.

9. TOTAL UNITHOLDERS' FUNDS

9.1 Unitholders' capital

	2025 Number of units '000	2024 Number of units '000
Issued and fully paid units with no par value classified as equity instruments:		
At 1 January	2,010,492	1,747,492
Issued for cash	-	263,000
Issued under Income Distribution Reinvestment Plan ("IDRP")	14,403	-
At 31 December	2,024,895	2,010,492

	2025 RM'000	2024 RM'000
Issued and fully paid units with no par value classified as equity instruments:		
At 1 January	2,574,166	2,129,340
New units issued:		
10,282,023 units @ RM1.70 per unit and 4,120,768 units @ RM2.04 per unit (2024: 263,000,000 units @ RM1.71 per unit)	25,885	449,730
Issuing expenses	(446)	(4,904)
At 31 December	2,599,605	2,574,166

NOTES TO THE FINANCIAL STATEMENTS

9. TOTAL UNITHOLDERS' FUNDS (CONTINUED)

9.2 Unitholdings of substantial unitholders, Directors of the Manager and their related parties

The following are details of the units and value held by substantial unitholders, Directors of the Manager and their related parties.

	2025		2024	
	Number of units '000	Market value RM'000	Number of units '000	Market value RM'000
Axis-REIT's substantial unitholders' direct unitholding:				
Lembaga Tabung Haji	132,442	254,289	115,422	199,680
Kumpulan Wang Persaraan (Diperbadankan)	138,378	265,686	147,384	254,974
Employees Provident Fund Board	392,424	753,454	381,457	659,921
Prudential PLC (i)	-	-	103,251	178,624
Axis-REIT's substantial unitholders' indirect unitholding:				
Kumpulan Wang Persaraan (Diperbadankan) (ii)	25,698	49,340	26,752	46,281
Directors of the Manager - direct unitholding:				
Dato' Abas Carl Gunnar Bin Abdullah	23,667	45,441	23,499	40,653
Tew Peng Hwee @ Teoh Peng Hwee	56,600	108,672	57,002	98,613
Leong Kit May	44	84	44	76
Jancis Anne Que Lao (iii)	3,509	6,737	2,944	5,093
Maxine Teoh Sui Vern (iv)	8	15	8	14
Devika A/P K Sothinathan	11	21	11	19
Takim Khan Myhre (v)	348	668	346	599
Directors of the Manager - indirect unitholding:				
Dato' Abas Carl Gunnar Bin Abdullah (vi)	11,610	22,291	10,717	18,540

NOTES TO THE FINANCIAL STATEMENTS

9. TOTAL UNITHOLDERS' FUNDS (CONTINUED)

9.2 Unitholdings of substantial unitholders, Directors of the Manager and their related parties (continued)

	2025		2024	
	Number of units '000	Market value RM'000	Number of units '000	Market value RM'000
Direct unitholdings of close family members of the Directors of the Manager:				
Datin Kuyas Emiloglu (also known as Ka Ya-Shih)	11,535	22,147	10,643	18,412
Leon Lee Lao	2,649	5,086	2,359	4,081
Tan Siew Geok	852	1,636	846	1,464
Amanda Tan Myhre	75	144	74	128
Edward Teoh Eu Shang	2	4	-	-
Yolbars Khan Myhre	72	138	72	125
K Sothinathan A/L Kanagasingam (Deceased)	209	401	209	362
Alex Lee Lao	60,125	115,440	59,358	102,689
Christopher Chang Tze Kun	51	98	50	87

Notes:

- (i) Prudential PLC ceased to be a substantial unitholder during the current financial year.
- (ii) Held by fund managers of Kumpulan Wang Persaraan (Diperbadankan).
- (iii) Jancis Anne Que Lao is the alternate director to Alvin Dim Lao.
- (iv) Maxine Teoh Sui Vern is the alternate director to Tew Peng Hwee @ Teoh Peng Hwee.
- (v) Takim Khan Myhre is the alternate director to Dato' Abas Carl Gunnar Bin Abdullah.
- (vi) Deemed interested in the direct unitholdings of his spouse, Datin Kuyas Emiloglu (also known as Ka Ya-Shih) and his daughter, Amanda Tan Myhre.

The market value of the units was determined by multiplying the number of units with the market price as at 31 December 2025 of RM1.92 per unit (2024: RM1.73 per unit).

NOTES TO THE FINANCIAL STATEMENTS

10. DEFERRED TAX LIABILITIES

Recognised deferred tax liabilities

Deferred tax liabilities are attributable to investment properties.

For investment properties that are expected to be realised through sale, the measurement of deferred tax asset or liability pertaining to the investment property will be based on the Real Property Gains Tax (“RPGT”) rate. It is the business model of Axis-REIT to hold investment properties to earn rental income and for long-term capital growth. Hence, there are no expected disposals of investment properties held for less than 6 years.

Movement in temporary differences during the year

	At 1.1.2024 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 15) RM'000	At 31.12.2025 RM'000
Investment properties	18,304	1,979	20,283	1,356	21,639

11. FINANCING

	Note	2025 RM'000	2024 RM'000
Non-current			
Islamic Medium Term Notes (“Sukuk”)	11.1	510,000	450,000
Term financing – secured	11.2	428,500	487,750
Transaction costs			
- Sukuk	11.1	(690)	(428)
- Term financing – secured	11.2	(2,001)	(2,378)
		935,809	934,944
Current			
Sukuk	11.1	240,000	-
Term financing – secured	11.2	59,250	-
Revolving credit – secured	11.3	498,500	815,500
Transaction costs			
- Term financing – secured		(23)	-
		797,727	815,500
		1,733,536	1,750,444

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCING (CONTINUED)

11.1 Islamic Medium Term Notes (“Sukuk”)

Axis-REIT’s wholly owned subsidiary, Axis REIT Sukuk Berhad, has an Islamic Medium Term Note Programme (“Sukuk Programme One”) of up to RM3.0 billion in nominal value. It is a perpetual programme that commenced on 13 July 2012. Details of the Sukuk issued are set out as follows.

Third Sukuk

On 7 January 2019, Axis REIT Sukuk Berhad, issued RM240.0 million Sukuk in nominal value pursuant to the Sukuk Programme One.

The Third Sukuk of RM240.0 million was issued to re-finance Axis-REIT’s existing financing facilities. The Third Sukuk, which is unrated, has an expected maturity date of 7 years from the issuance date and the legal maturity date is 9 years from the issuance date.

The transaction costs relating to the Third Sukuk issuance of RM240.0 million which amounted to RM579,000 are amortised and charged to profit or loss over the expected tenure of the Third Sukuk of 7 years.

The Third Sukuk is secured over an investment property as indicated in Note 4 to the financial statements and other securities as advised by the legal counsel of the lead manager and mutually agreed between Axis-REIT, Axis REIT Sukuk Berhad and the lead manager.

Fourth Sukuk

On 15 September 2021, Axis REIT Sukuk Berhad, issued RM210.0 million Sukuk in nominal value pursuant to the Sukuk Programme One.

The Fourth Sukuk of RM210.0 million was issued to re-finance Axis-REIT’s existing financing facilities. The Fourth Sukuk, which is unrated, comprises two tranches. The expected maturity dates are 10 years for RM80.0 million and 7 years for RM130.0 million from the issuance date and the legal maturity dates are 11 years and 8 years, respectively, from the issuance date.

The transaction costs relating to the Fourth Sukuk issuance of RM210.0 million which amounted to RM586,000 are amortised and charged to profit or loss over the expected tenures of the Fourth Sukuk of 10 years and 7 years, respectively.

The Fourth Sukuk is secured over the investment properties as indicated in Note 4 to the financial statements and other securities as advised by the legal counsel of the lead manager and mutually agreed between Axis-REIT, Axis REIT Sukuk Berhad and the lead manager.

The two Sukuk carry profit rates ranging from 3.82% to 4.65% (2024: 3.82% to 4.65%).

Financial Covenant

The subsidiary company, Axis REIT Sukuk Berhad is required to comply with a covenant to maintain the finance service coverage ratio (“FSCR”). As at 31 December 2025, the total carrying amount of the Sukuk is RM450.0 million (2024: RM450.0 million) and the FSCR has been met.

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCING (CONTINUED)

11.1 Islamic Medium Term Notes (“Sukuk”) (continued)

During the financial year, Axis-REIT’s second wholly owned subsidiary, Axis REIT Sukuk Two Berhad (“Issuer”), has established an Islamic Notes Issuance Programme (“Sukuk Programme Two”) of up to RM3.0 billion in nominal value for the issuances of senior Islamic medium term notes (“Senior Sukuk”) and perpetual Islamic notes (“Perpetual Sukuk”). RAM Rating Services Berhad (“RAM”) has assigned respective long-term ratings of AA2(s) and A1(s) to the Sukuk Programme Two’s Senior Sukuk and Perpetual Sukuk. It is a perpetual programme that commenced on 15 August 2025.

All the Senior Sukuk under the Sukuk Programme Two shall be secured by a debenture over the present and future fixed and floating assets of the Issuer, a charge over all the shares of the Issuer and a first ranking third party legal charge and assignment of over the finance service reserved account opened by Trustee and such other security as may be agreed between the Issuer, the Trustee and the lead arranger. The Perpetual Sukuk shall be unsecured.

Details of the Senior Sukuk issued are set out as follows.

First Senior Sukuk

On 15 August 2025, Axis REIT Sukuk Two Berhad issued RM300.0 million Senior Sukuk in nominal value pursuant to the Sukuk Programme Two.

The First Senior Sukuk of RM300.0 million was issued to re-finance Axis-REIT’s existing financing facilities. The First Senior Sukuk which rated AA2(s) by RAM, has a maturity date of 10 years from the issuance date.

The transaction costs relating to the First Senior Sukuk issuance of RM300.0 million which amounted to RM438,000 are amortised and charged to profit or loss over the tenure of the First Senior Sukuk of 10 years.

The First Senior Sukuk is secured as disclosed above in this note and the Senior Sukuk carries profit rate at 4.00% per annum.

Financial Covenant

Axis-REIT is required to comply with a covenant to maintain the finance to asset ratio (“FTA”) so long as any Senior Sukuk remains outstanding. As at 31 December 2025, the total carrying amount of the Senior Sukuk is RM300.0 million and the FTA has been met.

11.2 Term financing – secured

The term financing is secured over investment properties as indicated in Note 4 to the financial statements.

The term financing are repayable on 31 March 2026, 28 March 2028, 28 January 2032, 12 July 2032 and 7 June 2035, respectively. The related transaction costs are amortised over the tenure ranging between 5 to 12 years.

The term financing carries profit rates ranging from 3.30% to 4.28% (2024: 3.40% to 4.28%).

11.3 Revolving credit – secured

The revolving credit is secured over the investment properties as indicated in Note 4 to the financial statements.

The revolving credit carries profit rates ranging from 3.67% to 4.19% (2024: 3.92% to 4.19%).

NOTES TO THE FINANCIAL STATEMENTS

11. FINANCING (CONTINUED)

11.4 Reconciliation of movement of financing to cash flows arising from financing activities

	At 1.1.2024 RM'000	Net changes from financing cash flows RM'000	Others RM'000	At 31.12.2024/ 1.1.2025 RM'000	Net changes from financing cash flows RM'000	Others RM'000	At 31.12.2025 RM'000
Sukuk	449,415	-	157	449,572	299,562	176	749,310
Hire purchase liabilities	20	(20)	-	-	-	-	-
Term financing – secured	291,039	193,939	394	485,372	(14)	368	485,726
Revolving credit – secured	814,500	284	716	815,500	(317,644)	644	498,500
Total liabilities from financing activities	1,554,974	194,203	1,267	1,750,444	(18,096)	1,188	1,733,536

12. PAYABLES AND ACCRUALS

	Note	2025 RM'000	2024 RM'000
Current			
Trade			
Trade payables		9,356	23,308
Non-trade			
Other payables and accrued expenses	12.1	52,136	56,017
Islamic derivative liabilities	12.2	7,646	3,490
		59,782	59,507
		69,138	82,815

12.1 Included in other payables and accrued expenses are amounts due to the Manager and the Property Manager of RM3,057,000 (2024: RM3,089,000) and RM991,000 (2024: RM1,013,000), respectively. These amounts are unsecured, interest-free and payable monthly in arrears.

12.2 The Islamic derivatives (profit rate swaps) consist of two separate notional contract amounts of RM110,000,000 and RM200,000,000, respectively (2024: three separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively). Profit rate swaps are used by Axis-REIT to achieve an approximate mix of fixed and floating rates exposure in line with its policy.

NOTES TO THE FINANCIAL STATEMENTS

13. REVENUE

	2025 RM'000	2024 RM'000
Rental income from investment properties		
- Rental income billed in accordance with tenancy contracts	349,580	305,365
- Lease incentive adjustment	(457)	(554)
- Unbilled lease income receivable	3,400	3,674
	352,523	308,485
Revenue from contracts with customers		
- Car park income	6,079	5,951
- Other income	6,384	7,718
	12,463	13,669
	364,986	322,154

14. PROPERTY OPERATING EXPENSES

	Note	2025 RM'000	2024 RM'000
Assessment		8,474	7,670
Service contracts and maintenance		13,985	13,129
Property management fees	1(a)	7,295	6,394
Property management reimbursements		4,187	4,189
Utilities		4,534	4,349
Others		10,300	9,806
		48,775	45,537

NOTES TO THE FINANCIAL STATEMENTS

15. TAX EXPENSE

	Note	2025 RM'000	2024 RM'000
Current tax expense			
- Current year		1,202	557
Deferred tax expense			
- Current year	10	1,356	1,979
Total tax expense		2,558	2,536
Reconciliation of tax expense			
Net income before tax		284,634	212,542
Income tax using Malaysian tax rate of 24% (2024: 24%)		68,312	51,010
Non-deductible expenses		1,422	1,398
Effect of fair value change on investment properties which is not subject to tax		(16,028)	(9,690)
Effect of exemption from income tax	15.1	(53,706)	(42,718)
		-	-
RPGT			
Gain on disposal of investment property		1,202	557
Cumulative fair value gain on investment properties subject to RPGT		1,356	1,979
		2,558	2,536

15.1 Pursuant to the amendment to 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 a real estate investment trust or property trust fund is distributed to its unitholders, the total income of the real estate investment trust or property trust fund for that year of assessment shall be exempted from tax.

16. EARNINGS PER UNIT

Basic earnings per unit

Basic EPU is calculated by dividing the net income for the year attributable to unitholders of Axis-REIT by the weighted average number of units in circulation during the year.

The calculation of basic earnings per unit is based on income after taxation attributable to unitholders for the year of RM282,076,000 (2024: RM210,006,000) and the weighted average number of units in circulation during the year of 2,018,520,806 (2024: 1,779,109,645).

Diluted earnings per unit

Axis-REIT does not have any convertible notes or unit options in issue that would give rise to dilutive potential units.

NOTES TO THE FINANCIAL STATEMENTS

17. DISTRIBUTION TO UNITHOLDERS

Distribution to unitholders is from the following sources:

	2025 RM'000	2024 RM'000
Net property income		
- current year	316,211	276,617
- prior year	622	372
Realisation of unrealised income	9,160	3,051
Gain/(loss) on disposal of investment property	867	(2,428)
Profit and other income	2,611	1,624
	329,471	279,236
Less: Non-property expenses	(111,765)	(109,916)
Tax expense	(1,202)	(557)
	216,504	168,763
Adjustments to earnings available for distribution:		
- depreciation of equipment	288	359
- reversal of net measurement of loss allowance	(7)	(47)
- other non-cash items	(2,943)	(3,120)
	213,842	165,955
Less: Undistributed income	(537)	(622)
	213,305	165,333
Gross distribution per unit (sen)	10.55	9.27
Net distribution per unit (sen)	10.55	9.27

18. MANAGEMENT EXPENSE RATIO

	2025	2024
Management Expense Ratio ("MER") (%)	1.21	1.25

The calculation of MER is based on the total fees incurred by Axis-REIT, including Manager's fees, Trustee's fees, auditors' fees, tax agent's fees and administrative expenses, to the average Net Asset Value during the year calculated on a quarterly basis. Comparison of the MER of Axis-REIT with other real estate investment trusts which use different bases of calculation may not be an appropriate comparison.

NOTES TO THE FINANCIAL STATEMENTS

19. OPERATING SEGMENTS

Segment information is presented based on the information reviewed by the Board of Directors of the Manager for performance assessment and resource allocation. For the purpose of the assessment of segment performance, the Board of Directors of the Manager have focused on its investment properties. This forms the basis of identifying the operating segments of Axis-REIT under MFRS 8, *Operating Segments*.

As the investment properties are similar in terms of economic characteristics and nature of services, the Board of Directors of the Manager are of the view that Axis-REIT has only one reportable segment, namely leasing of investment properties as already presented in the statement of financial position and statement of profit or loss and other comprehensive income.

Accordingly, no operating segment information has been prepared as Axis-REIT has only one reportable segment.

No geographical segment information has been prepared as all of the investment properties of Axis-REIT are located in Malaysia.

20. FINANCIAL INSTRUMENTS

20.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (a) Financial assets measured at amortised cost ("FAAC");
- (b) Financial liabilities measured at amortised cost ("FLAC"); and
- (c) Fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.1 Categories of financial instruments (continued)

	Carrying amount RM'000	FAAC/(FLAC) RM'000	FVTPL RM'000
2025			
Financial assets			
Receivables and deposits	33,102	33,102	-
Cash, Islamic deposits and bank balances	77,910	77,910	-
	111,012	111,012	-
Financial liabilities			
Tenants' deposits	(108,523)	(108,523)	-
Payables and accruals	(69,138)	(61,492)	(7,646)
Financing	(1,733,536)	(1,733,536)	-
	(1,911,197)	(1,903,551)	(7,646)
2024			
Financial assets			
Receivables and deposits	15,366	15,366	-
Cash, Islamic deposits and bank balances	120,689	120,689	-
	136,055	136,055	-
Financial liabilities			
Tenants' deposits	(105,920)	(105,920)	-
Payables and accruals	(82,815)	(79,325)	(3,490)
Financing	(1,750,444)	(1,750,444)	-
	(1,939,179)	(1,935,689)	(3,490)

20.2 Net gains and losses arising from financial instruments

	2025 RM'000	2024 RM'000
Net (losses)/gains on:		
Fair value through profit or loss	(4,156)	(2,669)
Financial assets measured at amortised cost	1,912	1,671
Financial liabilities measured at amortised cost	(73,419)	(70,857)
Total	(75,663)	(71,855)

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.3 Financial risk management

Axis-REIT has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

20.4 Credit risk

Credit risk is the risk of a financial loss to Axis-REIT if a tenant or counterparty to a financial instrument fails to meet its contractual obligations. Axis-REIT's exposure to credit risk arises principally from its trade receivables from tenants. Axis-REIT performs annual credit evaluation of its tenants and generally does not require collateral other than tenants' deposits.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At each reporting date, Axis-REIT assesses whether any of the trade receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partially or in full after taking into consideration tenants' deposits) when there is no realistic prospect of recovery. This is generally the case when Axis-REIT determines the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to the previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amount in the statement of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. Axis-REIT uses ageing analysis to monitor the credit quality of receivables. Any receivables having significant balances past due more than 90 days, which are deemed to have higher credit risk, are monitored individually.

The exposure of credit risk for trade receivables as at the end of the reporting period amounts to RM1,580,000 (2024: RM773,000). After taking into consideration loss allowances recognised and other evidence that supports recoverability, the exposure is adequately collateralised by tenants' deposits.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses

The following table provides information about the exposure to credit risk and expected credit losses (“ECLs”) for receivables and tenancy contract assets as at 31 December:

	Gross carrying amount RM'000	Loss allowance RM'000	Net balance RM'000
2025			
Past due 1 - 30 days	1,182	-	1,182
Past due 31 - 60 days	126	-	126
Past due 61 - 90 days	6	-	6
	1,314	-	1,314
Credit impaired			
Past due more than 90 days	6,402	(6,136)	266
Trade receivables	7,716	(6,136)	1,580
Tenancy contract assets	1,029	-	1,029
	8,745	(6,136)	2,609
2024			
Past due 1 - 30 days	356	-	356
Past due 31 - 60 days	122	-	122
Past due 61 - 90 days	81	(3)	78
	559	(3)	556
Credit impaired			
Past due more than 90 days	6,357	(6,140)	217
Trade receivables	6,916	(6,143)	773
Tenancy contract assets	1,486	-	1,486
	8,402	(6,143)	2,259

There are trade receivables on which Axis-REIT has not recognised any loss allowance as these are collateralised by tenants' deposits.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment losses (continued)

The movements in the allowance for impairment losses of trade receivables during the financial year were:

	2025 RM'000	2024 RM'000
Balance at 1 January	6,143	6,190
Net remeasurement of loss allowance	(7)	(47)
Balance at 31 December	6,136	6,143

Trade receivables that are individually determined to be impaired relate to tenants who are in significant financial difficulties and have defaulted in payments. For the purpose of quantifying individual impairment, Axis-REIT utilises the deposits received to first set-off against the longest outstanding receivables and the remaining balance is impaired in full. The allowance account in respect of receivables is used to record impairment losses. Unless Axis-REIT is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Cash, Islamic deposits and bank balances

The cash, Islamic deposits and bank balances are placed with licensed banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. Consequently, Axis-REIT is of the view that the loss allowance is not material and hence, it is not provided for.

20.5 Liquidity risk

Liquidity risk is the risk that Axis-REIT will not be able to meet its financial obligations as they fall due. Axis-REIT's exposure to liquidity risk arises principally from its payables and accruals, tenants' deposits and financing.

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance Axis-REIT's operations, to distribute income to unitholders and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Listed Real Estate Investment Trusts concerning limits on total financing.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

20. Financial instruments (continued)

20.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of Axis-REIT's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Financial liabilities	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
2025						
<i>Non-derivative financial liabilities</i>						
Payables and accruals	61,492	61,492	61,492	-	-	-
Tenants' deposits*	108,523	123,429	28,142	21,762	37,477	36,048
Revolving credit - secured	498,500	500,039	500,039	-	-	-
Term financing - secured	485,726	600,665	76,167	16,451	94,203	413,844
Sukuk	749,310	896,353	260,220	19,997	178,905	437,231
	1,903,551	2,181,978	926,060	58,210	310,585	887,123
<i>Derivative financial liabilities</i>						
Islamic derivatives	7,646	7,646	7,646	-	-	-
	1,911,197	2,189,624	933,706	58,210	310,585	887,123

* The carrying amount of tenants' deposits has been discounted using the imputed profit rate of 4.00% (2024: 4.17%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.5 Liquidity risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of Axis-REIT's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual cash flows RM'000	Less than 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Financial liabilities						
2024						
<i>Non-derivative financial liabilities</i>						
Payables and accruals	79,325	79,325	79,325	-	-	-
Tenants' deposits*	105,920	122,846	34,050	13,921	22,834	52,041
Revolving credit - secured	815,500	818,213	818,213	-	-	-
Term financing - secured	485,372	629,185	19,750	77,380	99,644	432,411
Sukuk	449,572	500,373	19,167	248,151	147,676	85,379
	1,935,689	2,149,942	970,505	339,452	270,154	569,831
<i>Derivative financial liabilities</i>						
Islamic derivatives	3,490	3,490	3,490	-	-	-
	1,939,179	2,153,432	973,995	339,452	270,154	569,831

* The carrying amount of tenants' deposits has been discounted using the imputed profit rate of 4.00% (2024: 4.17%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.6 Market risk

Market risk is the risk that changes in market prices such as interest rates that will affect Axis-REIT's financial position or cash flows.

The interest rate is a general economic indicator that will have an impact on Axis-REIT's financial position or cash flows regardless whether it is an Islamic real estate investment trust or otherwise.

Interest rate risk

Axis-REIT's exposure to changes in interest rates relates primarily to its financial assets which have an exposure to interest rates, such as Islamic deposits and financial liabilities which have an exposure to interest rates, such as Sukuk, term financing and revolving credit. Interest rate risk is managed by the Manager on an on-going basis with the primary objective of limiting the extent to which the profit income and financing costs could be affected by adverse movements in interest rates.

Risk management objectives, policies and processes for managing the risk

Axis-REIT has Islamic derivatives (profit rate swaps) with two separate notional contract amounts of RM110,000,000 and RM200,000,000, respectively (2024: with three separate notional contract amounts of RM110,000,000, RM110,000,000 and RM200,000,000, respectively) in order to achieve an approximate mix of fixed and floating rates exposure that is deemed acceptable for Axis-REIT. The swaps mature in July 2032 and January 2033, respectively (2024: mature in June 2025, July 2032 and January 2033).

Exposure to interest rate risk

The interest rate profile of Axis-REIT's financial instruments which have an exposure to interest rates, based on carrying amounts as at the end of the reporting period was:

	2025 RM'000	2024 RM'000
Financial assets		
<i>Fixed rate instrument</i>		
Islamic deposits placed with licensed banks	53,559	106,552
Financial liabilities		
<i>Fixed rate instruments</i>		
Term financing – secured	59,250	59,250
Sukuk	750,000	450,000
	809,250	509,250
<i>Floating rate instruments</i>		
Term financing – secured	428,500	428,500
Revolving credit – secured	498,500	815,500
	927,000	1,244,000

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.6 Market risk (continued)

Interest rate risk (continued)

Interest rate risk sensitivity analysis

(a) Fair value sensitivity analysis

Axis-REIT does not account for any fixed rate financial liabilities at fair value through profit or loss, and Axis-REIT does not designate Islamic derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) Cash flow sensitivity analysis

A change of 100 basis points (“bp”) in interest rates at the end of the reporting period would have increased/(decreased) profit or loss by the amounts shown below.

	Profit or loss	
	100 bp increase RM'000	100 bp decrease RM'000
2025		
Floating rate instruments	(9,270)	9,270
Profit rate swaps	3,100	(3,100)
2024		
Floating rate instruments	(12,440)	12,440
Profit rate swap	4,200	(4,200)

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.7 Fair value information

The carrying amounts of cash, Islamic deposits and bank balances, receivables and deposits, payables and accruals and short-term financing approximate their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM'000	Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000		
2025										
Financial liabilities										
Tenants' deposits	-	-	-	-	-	-	108,523	108,523	108,523	108,523
Islamic derivatives	-	7,646	-	7,646	-	-	-	-	7,646	7,646
Financing	-	-	-	-	-	-	1,704,530	1,704,530	1,704,530	1,733,536
	-	7,646	-	7,646	-	-	1,813,053	1,813,053	1,820,699	1,849,705
2024										
Financial liabilities										
Tenants' deposits	-	-	-	-	-	-	105,920	105,920	105,920	105,920
Islamic derivatives	-	3,490	-	3,490	-	-	-	-	3,490	3,490
Financing	-	-	-	-	-	-	1,730,686	1,730,686	1,730,686	1,750,444
	-	3,490	-	3,490	-	-	1,836,606	1,836,606	1,840,096	1,859,854

NOTES TO THE FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.7 Fair value information (continued)

Level 2 fair value

Islamic derivatives

The fair value of profit rate swaps is based on broker quotes. Those quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of the contracts and using market profit rates for similar instruments at the measurement date.

Transfer between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2024: no transfer in either directions).

Level 3 fair value

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Tenants' deposits and financing.	Discounted cash flows using a rate based on the current market rate of Islamic financing facilities of Axis-REIT at the reporting date.

The discount rates used above have incorporated the credit risk of Axis-REIT and the liquidity risk of the instruments. The inputs for these risks are unobservable because there are no identical or similar instruments to benchmark to.

21. CAPITAL MANAGEMENT

Axis-REIT's objectives when managing capital is to maintain a strong capital base and safeguard Axis-REIT's ability to continue as a going concern, so as to maintain the confidence of unitholders, creditors and the market; and to sustain future development of the business. The Directors of the Manager monitor and maintain an optimal financing ratio that complies with regulatory requirements.

The Directors of the Manager continuously monitor the financing level and consider undertaking new placement exercise to raise capital when it anticipates the need for funding, taking into consideration the investor appetite in the capital market. This internal financing threshold is below that allowed by the Securities Commission's Guidelines on Listed Real Estate Investment Trusts of 50%.

NOTES TO THE FINANCIAL STATEMENTS

21. CAPITAL MANAGEMENT (CONTINUED)

The financing ratio of Axis-REIT at the end of the reporting period were as follows:

	Note	2025 RM'000	2024 RM'000
Total financing	10	1,733,536	1,750,444
Total assets value		5,356,293	5,258,558
Financing ratio (%)		32.36	33.29

There was no change in Axis-REIT's approach to capital management during the financial year.

22. CAPITAL COMMITMENTS

	2025 RM'000	2024 RM'000
Significant capital expenditure commitments		
Investment properties		
<i>Contracted but not provided for and payable:</i>		
- Within one year	135,230	-
- After one year	32,117	34,920

23. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to Axis-REIT if Axis-REIT has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where Axis-REIT and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of Axis-REIT either directly or indirectly. The key management personnel include all the Directors of the Manager and the Trustee, and certain members of senior management of the Manager and the Trustee.

Significant related party transactions

There are no significant related party transactions during the financial year (2024: no significant related party transactions).

24. SUBSEQUENT EVENT

On 27 January 2026, Axis-REIT completed the acquisition of an industrial property in Kawasan Industri Bandar Sultan Suleiman, Port Klang, in the State of Selangor, for a total cash consideration of RM50,000,000.

STATEMENT BY THE MANAGER

In the opinion of the Directors of the Manager, the financial statements set out on pages 221 to 274 are drawn up in accordance with the Fourth Principal Deed dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board and IFRS Accounting Standards as issued by the International Accounting Standards Board so as to give a true and fair view of the financial position of Axis Real Estate Investment Trust at 31 December 2025 and of its financial performance and cash flows for the financial year ended on that date.

For and on behalf of the Manager,
Axis REIT Managers Berhad,

Signed on behalf of the Board of Directors of the Manager in accordance with a resolution of the Directors of the Manager:

.....
Tew Peng Hwee @ Teoh Peng Hwee
Director

.....
Leong Kit May
Director

Petaling Jaya,

Date: 27 February 2026

STATUTORY DECLARATION

I, **Ng Choy Tip**, the Officer of Axis REIT Managers Berhad primarily responsible for the financial management of Axis Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 221 to 274, are to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ng Choy Tip, at Petaling Jaya in the state of Selangor Darul Ehsan on 27 February 2026.

.....
Ng Choy Tip

Before me:

TRUSTEE'S REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

We have acted as Trustee of Axis Real Estate Investment Trust ("Axis-REIT") for the financial year ended 31 December 2025. In our opinion and to the best of our knowledge, Axis REIT Managers Berhad ("the Manager") has managed Axis-REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Fourth Principal Deed ("the Deed") dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts and applicable securities laws during the financial year then ended.

We have ensured that valuation has been carried out on all the properties of Axis-REIT in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2025 are in line with and are reflective of the objectives of Axis-REIT. Four distributions have been declared for the financial year ended 31 December 2025 as follows:

- 1) 1st interim income distribution of 2.50 sen per unit paid on 30 May 2025;
- 2) 2nd interim income distribution of 2.65 sen per unit paid on 29 August 2025;
- 3) 3rd interim income distribution of 2.65 sen per unit paid on 19 December 2025; and
- 4) Final income distribution of 2.75 sen per unit paid on 27 February 2026.

For and on behalf of the Trustee,
RHB Trustees Berhad (as Trustee for AXIS-REIT)
(Company No.: 200201005356 (573019-U))

.....
Lim San San
Director

.....
Lim Bee Fang
Head, Trustees Operations

Kuala Lumpur,

Date: 27 February 2026

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Axis Real Estate Investment Trust ("Axis-REIT"), which comprise the statement of financial position as at 31 December 2025, and the statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 221 to 274.

In our opinion, the financial statements give a true and fair view of the financial position of Axis-REIT as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards") and IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of Axis-REIT in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matter

Key audit matter is a matter that, in our professional judgement, was of most significance in our audit of the financial statements of Axis-REIT for the current financial year. This matter was addressed in the context of our audit of the financial statements of Axis-REIT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of investment properties

Refer to Note 4 to the financial statements.

The key audit matter:

Axis-REIT owns a portfolio of 69 investment properties comprising office/industrial buildings, logistics warehouses, hypermarkets and manufacturing facilities located in Malaysia. Investment properties represent the single largest category of assets on the statement of financial position at RM5,237,020,000 as at 31 December 2025.

These investment properties are stated at their fair values based on independent external valuations.

The valuation process involves significant judgement in determining the appropriate valuation methodology to be used, and in estimating the underlying assumptions to be applied. The valuations are highly sensitive to key assumptions applied i.e. a small change in the assumptions can have a significant impact to the valuation.

This is a key audit matter as some of the key assumptions are based on unobservable inputs and hence, significant judgement is required to evaluate the unobservable inputs.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

How the matter was addressed in our audit:

We assessed the processes of Axis REIT Managers Berhad ("the Manager") for the selection of the external valuers, the determination of the scope of work of the valuers, and the review and acceptance of the valuations reported by the external valuers.

We evaluated the qualifications and competency of the external valuers based on their membership of a recognised professional body. We also examined the terms of engagement to determine whether there were any matters that might have affected the valuers' objectivity or placed limitations on their scope of work.

We assessed the appropriateness of the valuation methodologies used by considering their respective merits based on the occupancy status and/or condition of each property. We tested the data applied in the valuers' computation of market value by checking to lease agreements and other supporting documents. We challenged the capitalisation rates used in the valuation by comparing them against historical rates and available industry data. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and, when necessary, held further discussions with the valuers.

We also considered the adequacy of disclosures in the financial statements, in describing the inherent degree of subjectivity and key assumptions in the estimates. This includes the relationships between the key unobservable inputs and fair values, in conveying the uncertainties.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of Axis-REIT is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of Axis-REIT and our auditors' report thereon.

Our opinion on the financial statements of Axis-REIT does not cover the annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of Axis-REIT, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of Axis-REIT or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the Financial Statements of Axis-REIT

The Manager is responsible for the preparation of the financial statements of Axis-REIT so as to give a true and fair view in accordance with the Fourth Principal Deed dated 17 January 2020, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, applicable securities laws, MFRS Accounting Standards and IFRS Accounting Standards. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of Axis-REIT that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of Axis-REIT, the Manager is responsible for assessing Axis-REIT's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate Axis-REIT or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements of Axis-REIT

Our objectives are to obtain reasonable assurance about whether the financial statements of Axis-REIT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements of Axis-REIT (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement of the financial statements of Axis-REIT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Axis-REIT.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- iv) Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Axis-REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of Axis-REIT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Axis-REIT to cease to continue as a going concern.
- v) Evaluate the overall presentation, structure and content of the financial statements of Axis-REIT, including the disclosures, and whether the financial statements of Axis-REIT represent the underlying transactions and events in a manner that gives a true and fair view.
- vi) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Axis-REIT as a basis for forming an opinion on the financial statements of Axis-REIT. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of Axis-REIT for the current year and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE UNITHOLDERS OF AXIS REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

Other Matter

This report is made solely to the unitholders of Axis-REIT, as a body, in accordance with the trust deed of Axis-REIT and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya, Selangor

Date: 27 February 2026

Florence Chua Lei Choon
Approval Number: 03347/01/2028 J
Chartered Accountant

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
1	Menara Axis	5,197	2,695	2,502	119,292	120,000	708	98,522	21,478	Leasehold	40	21
2	Axis Business Campus	4,364	1,787	2,577	81,410	81,500	90	63,545	17,955	Leasehold	42	31-40
3	Axis Business Park	11,521	3,216	8,305	123,129	127,000	3,871	102,546	24,454	Leasehold	35	23-27
4	Axis Technology Centre	5,575	1,579	3,996	70,929	70,300	-629	59,035	11,265	Leasehold	42	15-35
5	Axis Vista	4,226	612	3,614	62,000	62,000	-	37,806	24,194	Leasehold	41	52
6	Crystal Plaza	10,026	2,316	7,710	113,011	114,000	989	74,691	39,309	Leasehold	34	30
7	Infinite Center	4,437	1,354	3,083	46,500	47,300	800	37,424	9,876	Leasehold	40	39
8	Quattro West	4,971	1,762	3,209	61,983	61,800	-183	52,389	9,411	Leasehold	47	43
9	Strateq Data Centre	5,005	307	4,698	70,000	70,100	100	42,927	27,173	Leasehold	43	26
10	The Annex <i>(property disposed in April 2025)</i>	116	55	61	-	0	-	-	-	Leasehold	37	43
11	Wisma Academy Parcel	7,110	2,731	4,379	75,500	76,000	500	77,326	-1,326	Leasehold	37	29
12	Wisma Kemajuan	5,208	2,274	2,934	67,000	70,000	3,000	37,960	32,040	Leasehold	40	32
13	Axis Aerotech Centre @ Subang*	6,980	312	6,668	93,786	104,000	10,214	72,953	31,047	Leasehold	41	7
14	Axis Mega Distribution Centre*	31,553	3,415	28,138	446,806	455,000	8,194	381,005	73,995	Leasehold	66	8
15	Axis Industrial Facility 1 @ Shah Alam	5,489	3,237	2,252	51,330	51,680	350	54,294	-2,614	Leasehold	60	33
16	Axis Shah Alam Distribution Centre 1	2,506	211	2,295	43,005	44,000	995	23,429	20,571	Freehold	NA	31
17	Axis Shah Alam Distribution Centre 2	3,969	526	3,443	53,284	54,000	716	47,972	6,028	Leasehold	41	41
18	Axis Shah Alam Distribution Centre 3	12,134	1,987	10,147	212,403	211,600	-803	205,728	5,872	Freehold	NA	11-18
19	Axis Shah Alam Distribution Centre 4	5,293	444	4,849	97,805	97,700	-105	88,884	8,816	Freehold	NA	13-34
20	Axis Northport Distribution Centre 1	6,113	492	5,621	97,900	99,000	1,100	68,075	30,925	Leasehold	77	34
21	Bukit Raja Distribution Centre	8,084	413	7,671	118,057	121,600	3,543	81,037	40,563	Freehold	NA	19-31
22	Fonterra HQ	1,501	208	1,293	25,200	25,300	100	11,264	14,036	Freehold	NA	26
23	Axis Industrial Facility @ Rawang	4,284	441	3,843	63,792	64,000	208	52,742	11,258	Freehold	NA	15-24
24	Emerson Industrial Facility Nilai	3,560	311	3,249	47,900	48,500	600	27,509	20,991	Leasehold	70	18-27

* Green-certified building

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
25	Senawang Industrial Facility	1,712	74	1,638	26,200	26,800	600	19,134	7,666	Freehold	NA	26
26	Axis Facility @ Batu Kawan*	1,633	135	1,498	19,898	19,800	-98	15,101	4,699	Leasehold	24	6
27	Bayan Lepas Distribution Centre	6,218	774	5,444	70,000	74,000	4,000	51,100	22,900	Leasehold	37	25
28	Axis Hypermarket @ Sungai Petani	3,861	198	3,663	52,149	53,300	1,151	39,325	13,975	Freehold	NA	18
29	Seberang Prai Logistics Warehouse 1	1,813	111	1,702	25,346	27,000	1,654	17,918	9,082	Leasehold	28	24
30	Seberang Prai Logistics Warehouse 2	517	156	361	10,020	10,600	580	7,404	3,196	Leasehold	28	29
31	Seberang Prai Logistics Warehouse 3	7,052	688	6,364	85,000	85,000	-	64,982	20,018	Leasehold	27/43	20-22
32	Wasco Facility @ Kuantan	14,191	1,192	12,999	165,000	165,000	-	157,619	7,381	Leasehold	84	11-23
33	Beyonics i-Park Campus - Block A	1,430	180	1,250	20,500	21,000	500	14,469	6,531	Freehold	NA	10
34	Beyonics i-Park Campus - Block B	1,296	151	1,145	18,500	19,000	500	13,115	5,885	Freehold	NA	10
35	Beyonics i-Park Campus - Block C	1,183	138	1,045	17,000	17,500	500	12,055	5,445	Freehold	NA	10
36	Beyonics i-Park Campus - Block D	2,222	240	1,982	31,000	31,000	-	22,504	8,496	Freehold	NA	10
37	Beyonics i-Park Campus - Block E	2,666	301	2,365	39,097	39,800	703	32,196	7,604	Freehold	NA	8
38	D8 Logistics Warehouse	2,882	242	2,640	40,500	41,500	1,000	31,787	9,713	Leasehold	30	17
39	D21 Industrial Facility (formerly known as D21 Logistics Warehouse)	3,988	389	3,599	52,245	52,300	55	51,131	1,169	Leasehold	30	21
40	FCI Senai	2,033	241	1,792	26,700	27,200	500	12,693	14,507	Leasehold	42	18
41	Indahpura Facility 1	677	165	512	9,500	9,500	-	7,343	2,157	Freehold	NA	9
42	Kerry Warehouse	3,329	399	2,930	40,500	41,000	500	36,384	4,616	Leasehold	48	12
43	Niro Warehouse	2,052	294	1,758	29,200	30,640	1,440	17,051	13,589	Leasehold	26	22
44	Nusajaya Tech Park Facility 1	3,124	356	2,768	42,500	43,000	500	42,773	227	Freehold	NA	8
45	Nusajaya Tech Park Facility 2	1,111	166	945	16,000	16,500	500	14,105	2,395	Freehold	NA	9
46	Pasir Gudang Logistics Warehouse 1	1,649	236	1,413	23,700	24,700	1,000	14,049	10,651	Leasehold	42	20
47	Axis Hypermarket @ Johor	7,790	569	7,221	112,800	114,800	2,000	76,997	37,803	Freehold	NA	15
48	Axis Facility 2 @ Nilai	3,746	133	3,613	52,950	55,000	2,050	51,065	3,935	Leasehold	64	10

* Green-certified building

PROPERTY PORTFOLIO DETAILS

No.	Property	Net Property Income			Property Valuation					Land Tenure		
		Revenue (RM'000)	Property Operating Expense (RM'000)	Net Property Income (RM'000)	Carrying Value Before Revaluation (RM'000)	Carrying Value After Revaluation (RM'000)	Unrealised Gain/(Loss) (RM'000)	Total Investment Outlay (Including enhancements and development) (RM'000)	Accumulated Revaluation Gain/(Loss) (RM'000)	Tenure of Land	Remaining Term of Lease (Years)	Age of Building (Years)
49	Axis Facility 2 @ Bukit Raja*	3,305	438	2,867	53,547	53,500	-47	47,780	5,720	Leasehold	64	39
50	D37c Logistics Warehouse	5,148	467	4,681	68,000	69,000	1,000	66,149	2,851	Leasehold	30	7
51	Axis Shah Alam Distribution Centre 5	6,574	679	5,895	100,000	102,000	2,000	96,330	5,670	Leasehold	49	34
52	Axis Industrial Facility 2 @ Shah Alam	889	106	783	17,000	19,500	2,500	12,256	7,244	Leasehold	52	43
53	Indahpura Facility 2	661	130	531	9,700	10,000	300	8,733	1,267	Freehold	NA	7
54	Indahpura Facility 3	647	78	569	7,800	8,100	300	6,821	1,279	Freehold	NA	7
55	Beyonics i-Park Campus - Block F	1,206	93	1,113	17,200	17,500	300	13,276	4,224	Freehold	NA	5
56	Bukit Raja Distribution Centre 2*	19,113	1,300	17,813	268,001	270,500	2,499	236,389	34,111	Freehold	NA	26
57	Xin Hwa Warehouse @ Pasir Gudang	5,249	547	4,702	82,900	86,400	3,500	76,388	10,012	Leasehold	49/51	7-9
58	Pasir Gudang Logistics Warehouse 2	3,511	826	2,685	41,529	42,500	971	33,208	9,292	Leasehold	26	21-30
59	Indahpura Facility 4	1,318	151	1,167	18,600	19,000	400	16,687	2,313	Freehold	NA	4
60	DW 1 Logistics Warehouse*	26,766	1,888	24,878	391,800	396,200	4,400	395,642	558	Leasehold	29	6
61	Axis Industrial Facility 1 @ Meru	2,650	105	2,545	41,000	43,600	2,600	41,682	1,918	Freehold	NA	18-28
62	Axis Hypermarket @ Temerloh	2,966	69	2,897	27,500	28,200	700	26,281	1,919	Freehold	NA	13
63	Axis Facility 1 @ Bukit Raja	3,531	126	3,405	51,000	51,000	-	49,882	1,118	Leasehold	63	34
64	Axis Vista 2	4,355	163	4,192	69,000	70,500	1,500	70,008	492	Leasehold	42	19
65	Axis Industrial Facility @ Batu Caves	3,583	136	3,447	56,100	59,700	3,600	56,829	2,871	Leasehold	49	10
66	Axis Industrial Facility @ Sendayan	3,000	122	2,878	49,000	52,000	3,000	49,033	2,967	Freehold	NA	6
67	Axis Facility 3 @ Bukit Raja	22,557	771	21,786	314,000	314,000	-	317,289	-3,289	Leasehold	60/66	34/41
68	Axis Facility 1 @ Pulau Indah	7,547	247	7,300	110,400	113,000	2,600	111,598	1,402	Leasehold	71	9-12
69	Axis Facility 2 @ Pulau Indah	3,013	115	2,898	48,800	49,500	700	49,232	268	Leasehold	71	7
70	Axis Facility 4 @ Bukit Raja	-	5	-5	39,529	39,000	-529	39,529	-529	Leasehold	63	NA
Total		364,986	48,775	316,211	5,150,733	5,237,020	86,287	4,442,385	794,635			

* Green-certified building

UNITHOLDERS' STATISTICS

Analysis of Unitholdings as per Record of Depositors

As at 11 February 2026

Issued and fully paid up Units: 2,024,894,950 Units (voting right: 1 vote per Unit)

DISTRIBUTION OF UNITHOLDINGS

Size of Unitholdings	No. of Unitholders	% of Unitholders	No. of Units Held	% of Unitholdings
Less than 100	1,142	9.03%	23,679	Neg
100 - 1,000	3,762	29.76%	1,793,754	0.09%
1,001 - 10,000	5,265	41.65%	21,453,664	1.06%
10,001 - 100,000	1,936	15.31%	54,385,667	2.69%
100,001 to less than 5% of issued Units	535	4.23%	1,472,800,617	72.73%
5% and above of issued Units	3	0.02%	474,437,569	23.43%
	12,643	100.00%	2,024,894,950	100.00%

30 LARGEST UNITHOLDERS

Name of Unitholders	No. of Units Held ^	%
1 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	214,059,954	10.57%
2 KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	135,337,090	6.68%
3 LEMBAGA TABUNG HAJI	125,040,525	6.18%
4 AMANAHRAYA TRUSTEES BERHAD PUBLIC ITTIKAL SEQUEL FUND	89,960,360	4.44%
5 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	84,579,542	4.18%
6 CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SDN. BHD. (2)	81,320,529	4.02%
7 TEW PENG HWEE @ TEOH PENG HWEE	56,600,054	2.80%
8 ALEX LEE LAO	55,231,165	2.73%
9 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA	46,442,400	2.29%
10 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ASIANISLAMIC)	40,274,811	1.99%
11 CARTABAN NOMINEES (TEMPATAN) SDN BHD PBTB FOR TAKAFULINK DANA EKUITI	28,764,321	1.42%
12 AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	28,173,130	1.39%
13 PERMODALAN NASIONAL BERHAD	25,525,598	1.26%
14 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	24,812,901	1.23%
15 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	23,804,800	1.18%
16 CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (BNP NAJMAH EQ)	22,284,000	1.10%
17 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	21,752,825	1.07%
18 LEMBAGA TABUNG ANGKATAN TENTERA	21,205,600	1.05%
19 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 2 - WAWASAN	21,088,300	1.04%
20 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (NP-OTHER-REITS)	18,998,500	0.94%
21 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA	18,683,700	0.92%
22 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	18,263,100	0.90%
23 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 3 - DIDIK	17,070,986	0.84%
24 AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC SELECT TREASURES FUND	15,337,479	0.76%
25 ABAS CARL GUNNAR BIN ABDULLAH	13,434,196	0.66%

UNITHOLDERS' STATISTICS

Name of Unitholders	No. of Units Held ^	%
26 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	13,194,399	0.65%
27 HSBC NOMINEES (ASING) SDN BHD HSBC-FS G FOR NIKKOAM-STRAITSTRADING ASIA EX JAPAN REIT ETF	13,070,800	0.65%
28 AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM MALAYSIA 3	13,000,000	0.64%
29 HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ZURICH LIFE INSURANCE MALAYSIA BERHAD (LIFE PAR)	12,558,731	0.62%
30 AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND	12,280,263	0.61%
	1,312,150,059	64.80%

^ according to securities accounts on a non-consolidated basis

MAJOR UNITHOLDERS (10% and above)

Name of Major Unitholders	Direct Interest		Indirect Interest	
	No. of Units	%	No. of Units	%
EMPLOYEES PROVIDENT FUND BOARD	398,754,797	19.69%	-	-

DIRECTORS' INTERESTS

Name of Directors/Alternate Directors	Direct Interest		Indirect Interest	
	No. of Units	%	No. of Units	%
Dato' Abas Carl Gunnar (Director)	23,723,067	1.17%	11,856,688	0.59%
Stephen Tew Peng Hwee @ Teoh Peng Hwee (Director)	56,600,054	2.80%	-	-
Leong Kit May (Director)	44,201	Neg	-	-
Alvin Dim Lao (Director)	-	-	-	-
Lim Keng Hwee (Director)	-	-	-	-
Devika A/P K Sothinathan (Director)	10,658	Neg	-	-
Jancis Anne Que Lao (Alternate Director)	3,508,714	0.17%	-	-
Maxine Teoh Sui Vern (Alternate Director)	7,500	Neg	-	-
Takim Khan Myhre (Alternate Director)	348,177	0.02%	-	-

* Deemed interested in the direct unitholdings of his spouse and daughter, Datin Kuyas Emiloglu (also known as Ka Ya-Shih) and Amanda Tan Myhre in Axis-REIT

Remarks:

These Unitholders' Statistics have been prepared as at 11 February 2026 in line with the requirements of Bursa Securities where such information is to be made up to a date not earlier than 6 weeks from the date of the AGM notice

PROPERTY MARKET OVERVIEW 2025



MARKET INDICATIONS

Malaysia's economic growth in 2025 was influenced by global disruptions, including tariffs and technology-driven shifts in global production and trade, while resilient domestic demand, stable employment, and sustained investment supported overall expansion. Advance estimates by the Department of Statistics Malaysia (DOSM) indicated that the economy grew by 5.7% year-on-year in Q4/2025, up from 5.2% in Q3/2025. Based on these estimates, Malaysia's full-year economic growth is projected at 4.9% in 2025 (2024: 5.1%), surpassing the official forecast range of 4.0% to 4.8%, as domestic demand exceeded expectations. Growth was mainly propelled by the manufacturing and services sectors, underpinned by healthy domestic and foreign investment, a stronger labour market, and stable inflation, which sustained consumer spending.

This resilient economic environment led to a stronger labour market. The government's people-focused policies and incentive programmes promoted employment growth, with the unemployment rate falling to 2.9% in November 2025 from 3.2% a year earlier — the lowest in over a decade, according to the Department of Statistics Malaysia (DOSM). This resilient economic environment also supported stable prices and household spending. Headline and core inflation were moderate at 1.6% and 2.3%, respectively, in December 2025, while the Consumer Price Index (CPI) was at 135.5 points, up 1.6% from the previous year, reflecting manageable price increases across key goods and services. As a result, household expenditure remained steady, allowing consumers to preserve purchasing power, especially for essential goods and services, thereby supporting ongoing domestic demand and overall economic growth.

Business and economic activities were further supported by domestic policy measures. Bank Negara Malaysia kept the Overnight Policy Rate (OPR) at 2.75% since July 2025, amid ongoing global growth and stable domestic momentum, supported by resilient labour markets, moderating inflation, and a less restrictive policy environment. This steady policy stance helped anchor economic confidence and interest rate expectations, reinforcing stability in business sentiment and currency performance, even as external uncertainties persisted. The positive business environment is reflected in the Business Confidence Indicator, as DOSM reported a 6.2% growth in Q4/2025.

The industrial sector remained a vital driver of Malaysia's economic performance, supporting growth, exports, and employment, and is often central to national development plans. In October 2025, Malaysia's industrial activity showed sustained momentum, with the Industrial Production Index (IPI) rising to 143.9 points, a 6.0% year-on-year increase driven by strong manufacturing and mining output, especially in export-led industries. This highlights the sector's resilience and its ongoing contribution to overall economic growth, despite global uncertainties.

Approved Investment, 2022 to Q1-Q3/2025

Malaysia	2022	2023	2024	Q1-Q3/2025 ^P
▶ Number of Approved Projects	4,517	5,101	7,682	4,874 ^P
▶ Domestic Investment (RM Million)	104,420.7	141,089.6	213,106.4	134,421.1 ^P
▶ Foreign Investment (RM Million)	163,335.4	188,365.4	171,273.7	150,750.6 ^P
▶ Total Capital Investment (RM Million)	267,756.0	329,455.0	384,380.1	285,171.7^P

Source: Malaysia Investment Development Authority (MIDA)

Note: The Q1-Q3/2025 figures are preliminary, as full-year data were not available at the time of this report.

Stable economic conditions also encouraged investment activity. In Q1-Q3/2025, Malaysia attracted RM285.2 billion in approved investments, a 13.2% year-on-year increase from the RM254.7 billion in Q1-Q3/2024, despite global headwinds such as geopolitical tensions and supply chain disruptions. Foreign investment accounted for RM150.8 billion (52.9%), while domestic investment accounted for RM134.4 billion (47.1%), indicating strong confidence from both international and domestic investors. Johor led all states with RM91.1 billion in approved investments, followed by Selangor, Kuala Lumpur, Penang, and Kedah, reflecting the broad geographic spread of economic activity within the country. These investments are expected to create approximately 152,800 new jobs, supporting growth in manufacturing, services, and primary sectors, while strengthening Malaysia's economic resilience and long-term competitiveness in Southeast Asia.

PROPERTY MARKET OVERVIEW 2025

Looking ahead, the 13th Malaysia Plan (13MP) outlines a total projected investment of RM611 billion over five years, including RM430 billion in federal government development expenditure. Budget 2026, the first annual budget under the 13MP, has a total federal government allocation of RM419.2 billion to support inclusive growth, enhanced public services under the MADANI framework, and expanded social welfare initiatives. Key priorities include affordable housing provision, urban regeneration initiatives, and expanding the Sales and Services Tax (SST) base to strengthen fiscal sustainability while maintaining affordability for essential goods and services.

Overall, Malaysia's domestic economic fundamentals remain resilient despite a challenging global environment. Continued investment inflows, firm industrial and manufacturing activity, and policy support under the MADANI administration are expected to sustain domestic demand. These factors provide a supportive backdrop for near-term real estate market performance, particularly in segments aligned with employment growth, industrial expansion, and urban regeneration initiatives.

INDUSTRIAL SECTOR OVERVIEW

Malaysia's industrial market delivered a steady and resilient performance in 2025, underpinned by continued expansion in manufacturing, logistics, and export-oriented activities, despite a challenging global environment. The country's Industrial Production Index (IPI) demonstrated consistent growth throughout the year, with notable y-o-y increases of approximately 5.7% in September and 6.0% in October, reflecting sustained domestic demand, improving external trade conditions, and ongoing government initiatives to strengthen industrial competitiveness.

Malaysia's industrial performance in 2025 was further supported by robust investment activity, reflecting sustained investor confidence. During Q1-Q3/2025, the manufacturing sector recorded 885 approved projects, with total capital investment of RM93.80 billion, representing a y-o-y increase of 10.6% from 800 projects worth RM88.82 billion in the same period in 2024. Foreign direct investment (FDI) accounted for 77.9% of total investment, totalling RM73.09 billion, while domestic investment accounted for the remaining 22.1%, totalling RM20.71 billion. Among contributing countries, China was the largest source of FDI, with 149 approved projects valued at RM33.91 billion, followed by Singapore, with 67 approved projects valued at RM7.74 billion, and the British Virgin Islands, with 2 approved projects valued at RM6.60 billion.

From a property and space demand perspective, the industrial market continued to benefit from structural trends, including supply-chain diversification, near-shoring, and the expansion of e-commerce and third-party logistics operators. Demand remained particularly strong for modern, strategically located industrial facilities, including logistics warehouses, distribution centres, and high-specification factories with efficient highway connectivity. Key industrial hubs in Greater Kuala Lumpur, Selangor, Penang, and Johor continued to attract occupiers, supported by ongoing infrastructure developments and proximity to ports and population centres. Despite the addition of new supply, particularly in Selangor and Johor, overall take-up remained robust, thereby sustaining manageable vacancy levels.

In terms of market conditions, rental rates and capital values remained broadly stable to mildly positive in 2025, supported by firm occupier demand and rising construction and land costs. Developers remained selective, focusing on build-to-suit projects and phased developments to mitigate risks from cost pressures and interest-rate uncertainty. At the same time, sustainability considerations gained greater prominence, with growing interest in green-certified industrial buildings, energy-efficient designs, and automation-ready facilities to support long-term operational efficiency.

Manufacturing Sector: Investment Overview, 2023 to Q1-Q3/2025

Malaysia	2023	2024	Q1-Q3/2025
▶ Number of Approved Projects	883	1,108	885
▶ Domestic Investment (RM Million)	23,529.5	31,591.8	20,710.0
▶ Foreign Investment (RM Million)	128,438.2	88,891.7	73,091.3

Source: Malaysia Investment Development Authority (MIDA)

PROPERTY MARKET OVERVIEW 2025

INDUSTRIAL MARKET

1.0 GREATER KUALA LUMPUR

1.1 Industrial Sector

The Greater Kuala Lumpur (Greater KL) region recorded a significant year-on-year increase of approximately 48.5% in the number of approved manufacturing projects, rising from 239 projects in 2023 to 355 projects in 2024, despite a 1.2% decline in total capital investment to RM19.15 billion.

As of Q1-Q3/2025, 260 manufacturing projects worth RM10.74 billion were approved in Greater KL. This reflects strong, sustained demand from manufacturers seeking to expand production capacity, highlighting Greater KL's continued appeal as a strategic industrial hub, supported by robust infrastructure and market opportunities.

Greater Kuala Lumpur: Approved Manufacturing Projects, 2023 to Q1-Q3/2025

State	2023		2024		Q1-Q3/2025	
	No. of Projects	Total Capital Investment (RM Million)	No. of Projects	Total Capital Investment (RM Million)	No. of Projects	Total Capital Investment (RM Million)
▶ WP Kuala Lumpur	5	69.7	16	341.8	7	66.9
▶ Selangor	234	19,309.3	339	18,808.9	253	10,674.3
▶ Greater KL	239	19,379.0	355	19,150.7	260	10,741.2

Source: Malaysia Investment Development Authority (MIDA)

Notable industrial sector announcements in Greater KL in 2025 include:

Manufacturing

- Jingxing Holdings (M) Sdn Bhd planned to invest RM1.9 billion in Phase 2 of its manufacturing expansion in Banting, Selangor, increasing annual production capacity by 600,000 tonnes of kraft liner, which is made from high-quality recycled paper and used for packaging. The expansion featured advanced manufacturing lines and integrated systems for thermal power, water treatment, and wastewater management.
- Tenpower held a grand opening ceremony for its first overseas factory in Bandar Mahkota Banting, Selangor. The facility spans 48 acres and has an initial production capacity of approximately 400 million cylindrical cells per year, aimed at supporting international supply chains. In addition to serving as a manufacturing site, Tenpower Malaysia will act as a global operations hub for the company's international business.
- Newways opened a new manufacturing facility in Klang, Selangor. This expansion represented an investment in Malaysia's high-tech sector and aimed to address regional demand. The facility focused on high-level semiconductor assembly.
- BAADER opened a new production facility named BAADER Food Systems Asia Sdn Bhd in Shah Alam, Selangor. This development signified the company's expansion in Southeast Asia and highlighted its focus on innovation and sustainable practices in Malaysia's industrial sector. The facility was essential for producing high-performance machinery, digital monitoring tools, and data-driven production insights.
- Feytech Holdings Bhd, an automotive parts and seat manufacturer, launched a new seat manufacturing facility in Subang Jaya to serve Chery, Jetour, and other original equipment manufacturers (OEMs). The facility spanned approximately 81,980 sq. ft. and integrated the design, manufacturing, and assembly of automotive seat components and parts, with an expected annual output of around 36,000 vehicle sets.

PROPERTY MARKET OVERVIEW 2025

Logistics/Warehousing

- Exio Logistics Sdn Bhd, a joint venture of IJM Corp Bhd, developed the Exio Logistics Hub in the City of Elmina, Shah Alam, with an investment of RM460 million. The facility, situated on 22 acres, was leased to Storio Sdn Bhd upon completion. It features two logistics hubs covering a total area of 500,000 sq. ft. and a capacity of 117,000 pallets, including a green warehouse equipped with an Automated Storage and Retrieval System (ASRS). The facility obtained the Leadership in Energy and Environmental Design (LEED) Gold and Green Building Index (GBI) Silver certifications.
- Nestlé (Malaysia) Bhd has started building a RM250 million integrated logistics centre in Port Klang. This facility is intended to function as a regional hub, supporting the export of products to over 60 countries and the import of raw materials. It is expected to be fully operational by Q1/2026 and anticipated to generate over 200 new jobs.
- Loft Logistics, a Singapore-based third-party logistics provider, opened its first warehouse in Shah Alam, Selangor, strengthening its cross-border logistics and advancing its aim of establishing a fully owned network across Southeast Asia.
- OMODA and JAECOO Malaysia improved their logistics by opening a new parts warehouse in the Hicom Industrial Estate, Shah Alam. This facility, with a built-up area of 88,000 sq. ft., was created to provide smooth aftersales support nationwide. The warehouse has been in operation since March 2025.
- YCH Group, a Singapore-based logistics company, has held the groundbreaking ceremony for Supply Chain City® Malaysia, a RM500 million smart logistics complex in Bandar Bukit Raja, Selangor. The facility will enhance regional connectivity and is expected to be completed in 2.5 years.
- J&T Express Malaysia has opened a 212,000 sq. ft. logistics hub in Setia Alam, Shah Alam, to improve delivery efficiency and meet rising e-commerce demand. The facility can process up to 1.2 million parcels daily.
- SD Guthrie Bhd and Sime Darby Property Bhd have signed an agreement to develop up to 2,000 acres on Carey Island, Selangor, into an industrial and logistics hub. This project will integrate with existing palm oil operations and enhance activities at Westport and Northport in Port Klang, aiming to attract global investment through improved logistics infrastructure and industrial development.
- The Selangor State Government has launched the Sekinchan Integrated Landing Port project as part of the Sabak Bernam Development Area (SABDA) under Rancangan Selangor Pertama (RS-1). This initiative aims to establish Sabak Bernam as a hub for seafood production, maritime services, and sustainable tourism, with an initial investment of RM500 million for infrastructure improvements. The project is set to commence by the end of 2026.
- PTT Synergy Group Bhd announced to invest RM2.3 billion in capital expenditure over the next 2 years to develop four automated warehouses, thereby enhancing its high-tech intralogistics and industrial solutions capabilities.
- S P Setia Bhd announced to team up with Taiwan's Ally Logistic Property Co. Ltd. (ALP) to develop a smart warehouse campus on a 42-acre site in Setia Alam Industrial Park, Klang. The project will feature two built-to-lease warehouses, one for cold chain logistics and the other for ambient storage, offering a total of approximately 1.5 million sq. ft. of floor space and space for up to 150,000 pallets.
- Daiwa House DPL Malaysia officially inaugurated its Shah Alam III facility on September 22, 2025. This newly built warehouse spans 1.30 million sq. ft. and was specifically designed to accommodate major international brands and logistics operators. The facility aims to meet the growing demand for advanced warehousing and distribution solutions in Malaysia.
- Tailwind Shipping Lines GmbH & Co. KG, a Germany-based container shipping company, has established an intra-Asia hub at Northport, Port Klang, to enhance trade between Malaysia and Germany. This hub strengthens Port Klang's role as a key gateway for cargo between Asia and Europe.

PROPERTY MARKET OVERVIEW 2025

- Maersk A/S has opened the Maersk Mega Distribution Centre in Shah Alam, its largest contract logistics facility in the Asia-Pacific region. At approximately 1.94 million sq. ft., it increases Maersk's warehousing capacity in Malaysia by over 30%. The facility features advanced automation, including autonomous mobile robots and automated storage and retrieval systems, to support faster order fulfillment and improved operational efficiency.
- Sime Darby Property Berhad and SD Guthrie Berhad have formed a 50:50 joint venture to develop a 1,000-acre industrial and logistics hub within a 3,000-acre master plan in Kuala Selangor, Selangor. The project will cover land in Jalan Acob, Bukit Kerayong, and Bukit Cherakah estates and will be formalised through a special-purpose vehicle.
- Sime Darby Property Berhad and Mydin Mohamed Holdings Berhad have begun building a RM450 million fully automated distribution center in the City of Elmina. Spanning 19 acres with 786,000 sq. ft. of space, the facility is expected to be completed by Q3/2027.

Data Centre

- TM Global announced that the Klang Valley Data Centre (KVDC) Block 2 and the Iskandar Puteri Data Centre (IPDC) Block 2 (West Wing) have completed their structural frameworks as of 26 July 2025. The second-phase expansion is expected to provide a combined IT load of 20 megawatts and will operate as carrier-neutral, hyperscale-ready facilities.
- Equinix Inc., a Nasdaq-listed digital infrastructure company, has completed Phase 2 of its KL1 International Business Exchange (IBX) data centre in Cyberjaya, Selangor, expanding capacity by 450 cabinets to a total of 900 cabinets, with an overall power capacity of approximately 2.4 megavolt-amperes (MVA). A total of approximately RM422.9 million (US\$100 million) has been invested in the KL1 IBX facility.
- Vantage Data Centres has commenced operations at KUL14, the fourth and final facility within its KUL1 Cyberjaya campus. The 16MW KUL14 data centre is fully leased to a single occupier, highlighting strong demand for wholesale data centre capacity in Malaysia.

Industrial Park Development

- Chery Corporate Malaysia Sdn Bhd (Chery Malaysia) and Legenda Beringin Holdings Sdn Bhd have announced plans to co-develop a Chery Smart Auto Industrial Park that will cover 200 acres within Legenda's 800-acre Beringin High-Tech Auto Valley in Hulu Selangor. This industrial park will require an investment of RM2.2 billion over the next five years, with the first phase expected to be completed by 2026. Initially, the park will have the capacity to produce 100,000 vehicles, with the potential to scale up to a maximum of 300,000 units.
- MaMing Development (SBB Park) Sdn Bhd, a subsidiary of MaMing Group, has announced to partnered with Wire & Wire Products (M) Sdn Bhd to develop 3.94 acres of industrial land along Persiaran Pulau Lumut in Pulau Indah, Selangor, into 12 semi-detached factory units ranging in size from 7,920 to 9,720 sq. ft.
- Permodalan Negeri Selangor Bhd (PNSB) has established strategic partnerships by signing memoranda of understanding (MOUs) with Sime Darby Property Bhd, IJM Corporation Bhd, and Yayasan Selangor. Together, they will develop an edu-technology park and a food security hub on Carey Island in Kuala Langat. The edu-technology park will utilise artificial intelligence (AI), smart infrastructure, and green energy solutions.
- Sime Darby Property Bhd has launched The Cubiz Collection, an industrial development in Elmina East Industrial Park, City of Elmina. It occupies 23.45 acres of freehold land and offers a ready-built factory leasing model with 20 double-storey twin factory units, starting from 29,000 sq. ft. These units support light manufacturing, logistics, and warehousing activities.
- Milestones Group, a property developer and design-and-build contractor, has officially launched LINX Avenue in Kapar, Klang. The industrial development covers 32 acres of freehold land along Jalan Bukit Kapar. Phase 1 of the project is expected to be completed by 2028.

PROPERTY MARKET OVERVIEW 2025

- LBS Bina Group Bhd and KLM Land Sdn Bhd have jointly launched Phase 3 of Alam Perdana Industrial Park in Puncak Alam, Selangor. The development features terrace, semi-detached, and detached factories, with a gross development value of RM1.08 billion.
- IOI Properties Group Bhd has launched the IOI Industrial Park @ Banting, a 322-acre industrial development with a gross development value of RM1.80 billion and GreenRE certification. The park offers a variety of factory options, including detached units for heavy manufacturing with about 27,895 sq. ft. on 180' × 221' lots, semi-detached units for light to medium industries with up to 14,124 sq. ft. on 90' × 200' lots, and cluster factories offering up to 9,499 sq. ft. on 85' × 150' lots.

Centralised Labour Quarter (CLQ)

- Q Centre Group has initiated the development of Q Centre @ Teratai, a 9,000-bed centralised labour quarters (CLQ) located in Meru, Klang. Construction is scheduled to commence in January 2026, with completion targeted for December 2027. The facility will incorporate controlled access systems, CCTV surveillance, 24-hour security, and worker support amenities, including canteen facilities, prayer rooms, and laundry services.

Others

- L'Oréal Malaysia, in collaboration with CEVA Logistics, has commenced operations at a new omnichannel fulfilment centre in Shah Alam, Selangor. The facility comprises an approximately 210,000 sq. ft. warehouse located within a GreenRE-certified building and is supported by on-site renewable energy generation, including approximately 70,000 sq. ft. of solar panels. The centre incorporates energy-efficient lighting, rainwater harvesting systems, reusable packaging solutions, and electric vehicles for last-mile delivery.

1.1.1 Overview

WP Kuala Lumpur and Selangor: Industrial Property Volume and Value of Transactions, 2023 to Q1-Q3/2025^(p)

State	Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
		Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ WP Kuala Lumpur	Vacant Plot	7	49.86	23	73.46	30	43.39
	Terraced	75	129.23	86	146.96	57	122.37
	Semi-Detached	22	123.09	12	81.09	3	19.91
	Detached	31	233.66	20	566.71	23	322.01
	Industrial Complex/Unit	16	6.77	29	14.24	22	8.89
	Others	0	0.00	1	1.70	0	0.00
	Total	151	542.61	171	884.16	135	516.57
▶ Selangor	Vacant Plot	521	3,918.49	703	4,087.12	457	4,062.61
	Terraced	1,229	1,250.39	1,320	1,403.99	1,161	1,196.66
	Semi-Detached	480	2,128.51	543	2,813.19	397	2,188.82
	Detached	278	4,144.48	288	4,784.30	214	3,131.44
	Industrial Complex/Unit	13	10.71	43	53.61	68	97.58
	Others	69	237.66	26	384.62	26	172.66
	Total	2,590	11,690.24	2,923	13,526.83	2,323	10,849.78

PROPERTY MARKET OVERVIEW 2025

State	Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
		Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Greater KL	Vacant Plot	528	3,968.35	726	4,160.58	487	4,106.00
	Terraced	1,304	1,379.62	1,406	1,550.95	1,218	1,319.03
	Semi-Detached	502	2,251.60	555	2,894.28	400	2,208.73
	Detached	309	4,378.14	308	5,351.01	237	3,453.46
	Industrial Complex/Unit	29	17.48	72	67.85	90	106.47
	Others	69	237.66	27	386.32	26	172.66
	Total	2,741	12,232.85	3,094	14,410.99	2,458	11,366.35

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In 2024, there were 3,094 industrial property transactions within Greater KL, with a total value of RM14.41 billion, representing a y-o-y increase of 17.8% in transaction value and 12.9% in transaction volume. (2023: RM12.23 billion; 2,741 transactions). Industrial transactions continued to grow, underpinned by demand driven by ongoing industrial expansion in Greater KL.

Subsequently, 2,458 transactions valued at RM11.37 billion were recorded within Greater KL as of Q1-Q3/2025, with terraced factories representing the highest share of 1,218 units (49.6%), followed by vacant plots at 487 units (19.8%), semi-detached factories at 400 units (16.3%), detached factories at 237 units (9.6%), industrial complexes/units at 90 units (3.7%), and “other” category of factories at 26 units (1.1%).

In terms of transaction value by property type, vacant plots recorded the highest value at RM4.11 billion, accounting for 36.12% of the total share in Q1-Q3/2025, followed by detached factories at RM3.45 billion (30.38%), semi-detached factories at RM2.21 billion (19.43%), terraced factories at RM1.32 billion (11.60%), the “other” category of factories at RM0.17 billion (1.52%), and industrial complexes/units at RM0.11 billion (0.94%).

Specifically, the industrial property transaction value in WP Kuala Lumpur amounted to RM0.88 billion in 2024, a 62.9% increase from RM0.54 billion in 2023. Transaction volume also rose by 13.2% y-o-y to 171 units in 2024 (2023: 151 units). As of Q1-Q3/2025, the cumulative transaction volume stood at 135 units, with a total transaction value of RM0.52 billion.

Moreover, Selangor recorded a 15.7% y-o-y increase in total transaction value, rising from RM11.69 billion in 2023 to RM13.53 billion in 2024, while transaction volume increased by 12.9% to 2,923 units (2023: 2,590 units). As of Q1-Q3/2025, a total of 2,323 transactions were recorded, with a combined transaction value of RM10.85 billion.

PROPERTY MARKET OVERVIEW 2025

1.1.2 Supply: Existing and Future

WP Kuala Lumpur and Selangor: Supply of Industrial Properties by Type, 2023 to Q3/2025

State	Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2023	2024	Q3/2025	Incoming	Planned
▶ WP Kuala Lumpur	Terraced	2,545	2,545	2,545	0	37
	Semi-Detached	412	412	412	0	0
	Detached	511	511	511	0	0
	Flatted Factory	1,670	1,670	1,670	0	0
	Industrial Complex	0	0	0	0	0
	Cluster	0	0	0	0	0
	Total		5,138	5,138	5,138	0
▶ Selangor	Terraced	29,004	29,114	29,216	547	179
	Semi-Detached	7,058	7,372	7,528	607	435
	Detached	5,482	5,718	5,867	198	185
	Flatted Factory	264	728	728	0	0
	Industrial Complex	108	109	110	0	1
	Cluster	92	92	92	299	141
	Total		42,008	43,133	43,541	1,651
▶ Greater KL	Terraced	31,549	31,659	31,761	547	216
	Semi-Detached	7,470	7,784	7,940	607	435
	Detached	5,993	6,229	6,378	198	185
	Flatted Factory	1,934	2,398	2,398	0	0
	Industrial Complex	108	109	110	0	1
	Cluster	92	92	92	299	141
	Total		47,146	48,271	48,679	1,651

Source: National Property Information Centre (NAPIC)

As of Q3/2025, Greater KL recorded a total existing industrial supply of 48,679 units, dominated by terraced factories, which accounted for 31,761 units (65.2%). This was followed by semi-detached factories at 7,940 units (16.3%) and detached factories at 6,378 units (13.1%). The pipeline supply in Greater KL totalled 2,629 units, with semi-detached factories forming the largest share at 1,042 units (39.6%), followed by terraced factories at 763 units (29.0%) and cluster factories at 440 units (16.7%).

Within WP Kuala Lumpur, the cumulative industrial stock remained unchanged at 5,138 units since 2023. Terraced factories remained in the largest segment, with 2,545 units (49.5%), followed by flatted factories at 1,670 units (32.5%), detached factories at 511 units (9.9%), and semi-detached factories at 412 units (8.0%). In addition, a further 37 units of terraced factories are currently in the planned supply pipeline.

In Selangor, the total existing industrial supply stood at 43,541 units as of Q3/2025, comprising terraced factories at 29,216 units (67.1%), semi-detached factories at 7,528 units (17.3%), and detached factories at 5,867 units (13.5%). Selangor's pipeline supply amounted to 2,592 units, with semi-detached factories accounting for the largest share at 1,042 units (40.2%), followed by terraced factories at 726 units (28.0%) and cluster factories at 440 units (17.0%).

PROPERTY MARKET OVERVIEW 2025

WP Kuala Lumpur and Selangor: Supply of Industrial Properties by District, 2023 to Q3/2025

State	District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2023	2024	Q3/2025	Incoming	Planned
▶ WP Kuala Lumpur	Bandar Kuala Lumpur	227	227	227	0	0
	Bandar Petaling Jaya	0	0	0	0	0
	Mukim Ampang	0	0	0	0	0
	Mukim Batu	3,046	3,046	3,046	0	0
	Mukim Cheras	0	0	0	0	0
	Mukim Hulu Kelang	0	0	0	0	0
	Mukim Kuala Lumpur	488	488	488	0	22
	Mukim Petaling	1,295	1,295	1,295	0	0
	Mukim Setapak	82	82	82	0	15
	Total	5,138	5,138	5,138	0	37
▶ Selangor	Gombak	4,851	4,933	4,977	55	31
	Hulu Langat	7,376	7,376	7,382	115	75
	Hulu Selangor	4,393	4,393	4,393	166	0
	Klang	8,822	9,369	9,503	545	510
	Kuala Langat	627	627	751	516	63
	Kuala Selangor	513	531	556	171	257
	Petaling	14,413	14,889	14,919	0	0
	Sabak Bernam	35	37	38	27	0
	Sepang	978	978	1,022	56	5
	Total	42,008	43,133	43,541	1,651	941

Source: National Property Information Centre (NAPIC)

As of Q3/2025, the 5,138 existing industrial units in Wilayah Persekutuan Kuala Lumpur were primarily concentrated in Mukim Batu, with 3,046 units (59.3%), followed by Mukim Petaling with 1,295 units (25.2%) and Mukim Kuala Lumpur with 488 units (9.5%). Of the 37 units in the planned supply pipeline, 22 were located in Mukim Kuala Lumpur, while the remaining 15 were in Mukim Setapak.

In Selangor, industrial supply remained geographically concentrated, with the Petaling District, Klang District, and Hulu Langat District collectively accounting for 73.0% of the state's existing industrial stock as at Q3/2025. Petaling District recorded the largest share at 14,919 units (34.3%), followed by Klang District with 9,503 units (21.8%) and Hulu Langat District with 7,382 units (17.0%). Of the 2,592 units in the pipeline, the majority were located in Klang District (1,055 units; 40.7%), followed by Kuala Langat District (579 units; 22.3%) and Kuala Selangor District (428 units; 16.5%).

PROPERTY MARKET OVERVIEW 2025

1.1.3 Capital Values

The list below reflects the general capital values of selected industrial properties in WP Kuala Lumpur and Selangor.

WP Kuala Lumpur and Selangor: Selected Industrial Property Transactions in 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Subang, Selangor	Industrial Land with Building	2.99	LH	03 rd January 2025	31.50	Non-disclosed
2	Bandar Bukit Raja, Selangor	Industrial Land with Building	Non-disclosed	Non-disclosed	10 th January 2025	232.00	Sime Darby Property Berhad
3	Kawasan Perindustrian Meru Timur, Klang, Selangor	Vacant Agricultural Land	4.69	FH	24 th January 2025	16.98	Part Center Sdn Bhd
4	Jalan Abdul Manan 1, Klang, Selangor	Vacant Agricultural Land	9.99	FH	06 th February 2025	29.62	Bentong Resources Sdn Bhd
5	Eco Business Park V, Selangor	Vacant Industrial Land	58.19	LH	25 th February 2025	266.14	Pearl Computing Malaysia Sdn Bhd
6	Seksyen 19, Petaling Jaya, Selangor	Industrial Land with Building	1.52	LH	26 th February 2025	24.20	Basic Eight (M) Sdn Bhd
7	Seksyen 33, Shah Alam, Selangor	Industrial Land with Building	0.72	LH	07 th March 2025	13.00	Pluto Sdn Bhd
8	Seksyen 20, Bandar Serendah, Rawang, Selangor	Vacant Industrial Land	6.26	LH	12 th March 2025	17.43	Pecca Leather Sdn Bhd
9	Kawasan Perindustrian Batu Cave, Selangor	Industrial Land with Building	0.15	LH	16 th May 2025	6.28	PAM Machinery Components (M) Sdn Bhd
10	Kawasan Perusahaan Telok Mengkuang, Telok Panglima Garang, Selangor	Industrial Land with Building	4.66	FH	29 th May 2025	39.00	Pacific Trustees Berhad
11	Taman Bukit Maturi Industrial Park, Kuala Lumpur	Industrial Land with Building	1.00	LH	30 th May 2025	23.00	Magnum Wines & Spirits Sdn Bhd
12	Kawasan Perindustrian Pulau Indah, Klang, Selangor	Industrial Land with Building	4.00	LH	03 rd June 2025	44.50	Metal Recovery Industries Sdn Bhd
13	Taman Perindustrian Putra, Puchong, Selangor	Industrial Land with Building	1.30	LH	19 th June 2025	23.00	Oriental Coffee International Sdn Bhd
14	Kuang, Selangor	Industrial Land	99.60	FH	26 th June 2025	65.10	Sunway Rawang City Sdn Bhd
15	Seksyen 13, Bandar Petaling Jaya, Selangor	Industrial Land with Building	2.17	LH	01 st July 2025	49.00	Leisure Event Sdn Bhd
16	Kawasan Olak Lempit, Banting, Selangor	Industrial Land with Building	6.74	LH	03 rd July 2025	22.00	LB Aluminium Berhad
17	Bandar Petaling Jaya, Selangor	Industrial Land with Building	1.53	LH	10 th July 2025	28.50	Datasonic Technologies Sdn Bhd

PROPERTY MARKET OVERVIEW 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
18	Jalan Batu Cave, Batu Caves, Selangor	Industrial Land with Building	3.48	FH	11 th July 2025	38.00	Logik Damai Sdn Bhd
19	Kawasan Perusahaan Kebun Baru, Telok Panglima Garang, Selangor	Vacant Industrial Land	4.03	FH	14 th July 2025	15.45	Gammatech Sdn Bhd
20	Kapar, Klang, Selangor	Industrial Land	9.97	LH	15 th July 2025	45.59	Luxchem Trading Sdn Bhd
21	Kawasan Perindustrian Olak Lempit, Banting, Selangor	Vacant Industrial Land	2.63	LH	16 th July 2025	8.00	Filtermation (MFG) Sdn Bhd
22	Rawang, Gombak, Selangor	Vacant Industrial Land	11.27	FH	18 th July 2025	60.00	PTT Logistics Hub 2 Sdn Bhd
23	Jalan Canang Emas 9/KS10, Telok Gong, Pelabuhan Klang, Selangor	Industrial Land with Building	10.19	LH	1 st August 2025	80.00	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
24	Kawasan Perindustrian Olak Lempit, Banting, Selangor	Industrial Land with Building	7.79	LH	1 st August 2025	67.00	Yusin Machinery (Malaysia) Sdn Bhd
25	Labu, Sepang, Selangor	Vacant Agricultural Land	95.02	LH	11 th August 2025	206.00	Nusa Wibawa Sdn Bhd
26	Jalan Haji Abdul Manan, Kapar, Klang, Selangor	Vacant Industrial Land	4.84	FH	15 th August 2025	29.00	Pantech Steel Industries Sdn Bhd
27	Kawasan Perindustrian Pulau Indah, Klang, Selangor	Industrial Land with Building	4.04	LH	19 th August 2025	30.00	KPS Plywood Sdn Bhd
28	Kawasan Perindustrian Bandar Bukit Raja, Klang, Selangor	Vacant Industrial Land	6.01	FH	03 rd September 2025	40.55	Lexis Chemical Sdn Bhd
29	Kawasan Industri Bandar Sultan Suleiman, Pelabuhan Klang, Selangor	Industrial Land with Building	9.00	LH	04 th September 2025	50.00	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)
30	Tempat Cheras Jaya, Cheras, Ulu Langat, Selangor	Industrial Land with Building	2.00	LH	10 th September 2025	26.00	Paragon Car Carpets & Components Sdn Bhd
31	Jalan Anggerik Mokara 31/54, Kota Kemuning, Shah Alam, Selangor	Vacant Industrial Land	1.22	FH	11 th September 2025	15.54	Unique Fire Industry Sdn Bhd
32	Kawasan Industri Kota Kemuning, Shah Alam, Selangor	Industrial Land with Building	0.96	FH	09 th October 2025	14.39	CBH Engineering Holding Berhad
33	Kawasan Perindustrian Pulau Indah, Klang, Selangor	Vacant Industrial Land	7.31	LH	10 th October 2025	25.20	Colform Sdn Bhd

PROPERTY MARKET OVERVIEW 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
34	Seksyen U5, Shah Alam, Selangor	Industrial Land with Building	1.00	LH	10 th October 2025	15.00	Sharp Die Cutting Mould Sdn Bhd
35	Compass @ Kota Seri Langat, Banting, Selangor	Vacant Industrial Land	28.92	FH	22 nd October 2025	94.48	BW Scaffold Industries Sdn Bhd
36	Jalan Bukit Badong, Ijok, Kuala Selangor, Selangor	Agricultural & Industrial Land	19.74	FH	30 th October 2025	36.80	Serba Wangi (KL) Sdn Bhd
37	Jalan Kepong, Ijok, Selangor	Industrial Land	730.99	FH	27 th November 2025	605.00	MUI Industrial Estates Sdn Bhd
38	Seksyen 34, Shah Alam, Selangor	Industrial Land with Building	0.51	FH	15 th December 2025	6.10	Texstrip Manufacturing Sdn Bhd
39	Bandar Serendah, Ulu Selangor, Selangor	Industrial Land with Building	1.66	FH	17 th December 2025	17.00	Prestar Precision Tube Sdn Bhd, Dai Dong Steel Sdn Bhd, Prestar Engineering Sdn Bhd

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

1.1.4 Rental Values

The monthly asking rents of selected detached industrial properties in Sungai Besi-Chan Sow Lin ranged from RM2.40 per sq. ft. to RM3.40 per sq. ft.

Meanwhile, within the established industrial areas of Section 13, Section 19 and Section 51A in Petaling Jaya, the monthly asking rental for detached factories and warehouses ranged from RM2.40 per sq. ft. to RM3.10 per sq. ft.

In Shah Alam, detached factories and warehouses located at Temasya Glenmarie and Hicom Glenmarie Industrial Park command monthly asking rentals ranging from RM2.20 per sq. ft. to RM2.50 per sq. ft. In contrast, the monthly asking rents of similar premises ranged from RM1.80 per sq. ft. to RM2.30 per sq. ft. in Sections 15 and 26 of the Shah Alam industrial area.

Monthly asking rents for detached factories and warehouses in Subang Hi-Tech Industrial Park range from RM1.90 per sq. ft. to RM2.50 per sq. ft.

In the Klang region, asking rents in selected industrial areas of Port Klang ranged from RM1.30 to RM1.90 per sq. ft. per month. In Kawasan Perindustrian Bukit Raja, the monthly asking rental ranged slightly higher, from RM1.60 per sq. ft. to RM2.30 per sq. ft.

Selected industrial properties in Rawang command monthly asking rentals ranging from RM1.00 per sq. ft. to RM1.20 per sq. ft. in Bukit Beruntung and RM1.50 per sq. ft. to RM1.60 per sq. ft. in Taman Industri Integrasi.

In Balakong, monthly asking rentals ranged between RM1.30 per sq. ft. and RM1.90 per sq. ft. in Kawasan Perindustrian Balakong and RM1.60 per sq. ft. to RM2.10 per sq. ft. per month in Taming Jaya Industrial Park.

The asking rents for detached industrial properties in Kajang industrial estates ranged from RM1.50 per sq. ft. to RM2.00 per sq. ft. per month. In Semenyih, monthly asking rents ranged from RM1.10 per sq. ft. to RM1.60 per sq. ft.

PROPERTY MARKET OVERVIEW 2025

2.0 JOHOR

2.1 Industrial Sector

For Q1-Q3/2025, Johor recorded 216 approved manufacturing projects with a total investment value of RM18.65 billion, an increase of 132.8% compared to RM8.01 billion in Q1-Q3/2024.

Johor: Approved Manufacturing Projects, 2023 to Q1-Q3/2025

Johor	2023	2024	Q1-Q3/2025
▶ Number of Approved Projects	243	275	216
▶ Total Capital Investment (RM Million)	14,617.3	14,211.4	18,648.7

Source: Malaysia Investment Development Authority (MIDA)

Several notable announcements on the investment and expansion plans of industrial facilities in Johor during 2025 included:

Manufacturing

- Paris Baguette completed its RM130 million regional manufacturing hub in Gelang Patah, Johor in Q1/2025. The facility comprises approximately 135,854 sq. ft. and serves as the company's first halal-certified manufacturing and distribution centre, incorporating seven production lines to serve the Southeast Asian market.
- Grand Banks Yachts expanded its composite manufacturing facility in Pasir Gudang, Johor, increasing the built-up area from approximately 143,300 sq. ft. to nearly 700,000 sq. ft.. The facility is located within one of the flagship zones of the Johor–Singapore Special Economic Zone (JS-SEZ).
- EPG commenced construction of its second manufacturing facility in Malaysia in Q4/2025. The facility is intended to function as an intelligent manufacturing hub supporting regional production capacity and supply chain operations for the data centre industry.
- Sick Sdn Bhd, a subsidiary of Sick AG, plans to develop a high-technology manufacturing hub in Senai Airport City, Johor, with a total proposed investment of nearly RM1 billion. Phase 1, covering approximately 10-hectare, is scheduled to commence construction in Q1/2026, involving an investment of RM280 million.
- Oliver Healthcare Packaging commenced operations at its 120,000 sq. ft. manufacturing facility in i-Tech Valley, Iskandar Puteri, in Q4/2025. The facility incorporates ISO 13485, ISO Class 7, and ISO Class 8 cleanrooms and manufactures medical-grade packaging products for pharmaceutical and medical device companies in the Asia-Pacific region.
- Haitian Group began construction of Phase 1 of its RM3 billion regional manufacturing hub on a 92-acre site at Eco Business Park II, Senai, in Q2/2025. Phase 1 is targeted for completion by Q4/2026, with production expected to commence in Q1/2027.
- Colorcon officially opened its 200,000 sq. ft. pharmaceutical and nutraceutical film coating manufacturing facility in Johor in Q3/2025. The facility serves as the company's production hub for the Asia-Pacific region and commenced operations with an initial workforce of 30 employees.
- Rianlon (China) is investing RM820 million to establish its first overseas manufacturing and R&D facility in Tanjung Langsat, Johor, within the Johor–Singapore Special Economic Zone, with development activities announced in Q3/2025. The project is expected to generate over 300 skilled jobs.
- Scanfil plc invested RM15.8 million to expand and modernise its SRX Global facility in Johor Bahru in Q2/2025, increasing production capacity by approximately 50% and enhancing integrated electronics manufacturing capabilities.

PROPERTY MARKET OVERVIEW 2025

- SHB commenced operations at its first overseas manufacturing facility in Senai Airport City Free Zone, Johor, in Q4/2025, following an investment of RM600 million. The facility is designed for the production of automotive motor systems.
- OTS Holdings Limited commenced operations at its RM40 million halal-certified food manufacturing facility in Simpang Renggam, Johor, in Q3/2025, expanding production capacity to approximately 200 tonnes per month.
- Rohde & Schwarz, in partnership with Equalbase, is developing a built-to-suit manufacturing facility at Senai Airport City Free Zone, Johor. The single-storey facility will provide approximately 100,000 sq. ft. of manufacturing space on a 210,000 sq. ft. site, with operations scheduled to commence in Q1/2027.
- Vertiv plans to establish a manufacturing facility in Johor, with operations targeted to commence in Q1/2026, producing power and thermal management solutions for regional data centre infrastructure demand.

Logistics/Warehousing

- BAC Renewable Energy Sdn Bhd (BAC RE) entered into an agreement with Dovechem Group and TLP Terminal Sdn Bhd in 2025 to develop the BAC RE ASEAN Biofuels Storage and Export Hub at Tanjung Langsat Port, Johor. Phase 1 will feature BioLNG storage of 7,500 cubic metres and an annual handling capacity of 33,000 tonnes.
- DHL Supply Chain launched Phase 1 of its Southern Region Hub and commenced groundwork for Phase 2 at the Senai Airport City Free Zone in 2025, involving a total investment of RM100 million. The combined land area for both phases spans approximately 308,000 sq. ft.
- ISP Group of Companies (ISP) commenced development of ISP Victory, a purpose-built logistics and manufacturing hub in Senai, Johor, in 2025, with a total development cost of RM80 million. The project occupies a 4.1-hectare site and comprises a dual-storey logistics warehouse and manufacturing facility with a total built-up area of approximately 263,000 sq. ft. Completion is targeted beyond 2025.
- Johor Port Bhd completed a RM140 million expansion of its liquid jetty facilities in Pasir Gudang in 2025. The project, which commenced in October 2023, added two new jetties capable of accommodating vessels of up to 120,000 DWT, increasing liquid bulk handling capacity by approximately five million tonnes per annum.
- Barry Callebaut, in collaboration with Maersk, completed a 600,000 sq. ft. multi-storey cocoa bean warehouse in Pasir Gudang in 2025, with a storage capacity of 40,000 metric tonnes. The facility represents the first multi-storey ramp-up warehouse in Pasir Gudang.
- Topmix Bhd, via its subsidiary Topmix Resources, began developing a warehouse and office facility in Senai, Johor, in 2025. The RM8.67 million project includes a single-storey warehouse and a three-storey office on an 86,626 sq. ft. site, with construction by Laubros Holdings expected to complete post-2025.

Data Centre

- AirTrunk announced plans in 2025 to develop a second hyperscale data centre in Iskandar Puteri, Johor, with a planned capacity of more than 270 MW. This follows the commissioning of its first Johor facility, JHB1, which has a capacity of 150 MW. Upon completion, the two facilities are expected to provide a combined IT load exceeding 420 MW, with a total investment value of approximately RM9.7 billion.
- ST Telemedia Global Data Centres (STT GDC) commenced construction of its first Johor facility, STT Johor 1, at Nusa Cemerlang Industrial Park, Iskandar Puteri, in 2025. The facility is designed for an initial 16 MW IT load and forms part of a broader campus planned to support up to 120 MW of IT capacity. Full operations are targeted beyond 2025.
- EPG commenced construction of a data centre facility at Senai Airport City Phase 3 in 2025, involving an investment of RM360 million. The development occupies a 25.54-acre site and is intended to support regional data centre infrastructure requirements.

PROPERTY MARKET OVERVIEW 2025

- STACK Infrastructure announced in 2025 its plan to invest approximately RM7 billion to develop a hyperscale data centre campus in Iskandar Puteri, Johor Bahru. The project is planned as part of the company's regional expansion in Southeast Asia.
- SD Guthrie Bhd announced in 2025 its entry into the data centre and renewable energy sectors through the proposed development of a 641-acre green industrial park in Kulai, Johor, in partnership with AME Elite Consortium.
- Vantage Data Centers announced in 2025 its plan to acquire and develop a hyperscale data centre campus in Sedenak Tech Park, Johor, as part of a US\$1.6 billion (RM6.8 billion) Asia-Pacific expansion programme. The site, previously part of Yondr Group's portfolio, is planned to be developed into a 73-acre campus with more than 300 MW of IT capacity across multiple facilities.
- Microsoft announced in Q4/2025 the development of Southeast Asia 3, its second cloud region in Malaysia, to be located in Johor Bahru, as part of its US\$2.2 billion multi-year investment programme in the country. The new region will complement Microsoft's existing cloud region in Malaysia.
- Equinix, Inc. achieved the structural topping-out milestone for its second International Business Exchange (IBX) data centre in Johor (JH2) in 2025. The facility, located within the JS-SEZ, represents an initial investment of approximately US\$201 million and is planned for commissioning beyond 2025.

Industrial Park Development

- MB World Group Bhd, through its subsidiary Rising Gateway Sdn Bhd, launched MBW Innexus Industrial City, a 732-acre freehold heavy industrial development, in Tanjung Langsat, Johor Bahru, in 2025. The project, located within the Forest City Special Financial Zone, has a GDV of RM2.03 billion. Phase 1, comprising 13 industrial plots, is scheduled for completion beyond 2025.
- Eco World Development Group, SD Guthrie Land Ventures, and Permodalan Darul Ta'zim formed a strategic partnership in 2025 to develop Eco Business Park 8, an integrated industrial park with a GDV of RM3.75 billion, located on a 935-acre site in Kulai within the JS-SEZ. The project is planned for phased development over an extended period.
- JLand Group launched Ibrahim Technopolis (IBTEC), a 7,290-acre integrated industrial and innovation development in Sedenak, Johor, in 2025. The project incorporates Sedenak Tech Park and has reported committed investments of RM34.5 billion, with a planned total GDV of RM27 billion over a long-term development horizon.
- Mah Sing Group Bhd and KLK Land entered into a joint venture in 2025 to develop MS Industrial Park @ Kulai, a 419.15-acre industrial development within the JS-SEZ. The project has a GDV of RM2.26 billion, with Mah Sing holding a 60% equity stake and acting as development manager.

Others

- Johor is set to strengthen its position in the palm oil industry by developing the iSPOC project, supported by industry partners like Fuji Oil Asia. Located within the JS-SEZ, the project aims to boost the production of high-value palm oil products such as speciality oils and fats, animal feed, and palm kernel oil.
- Southern Catalyst Sdn Bhd signed a memorandum of understanding (MoU) with agritech company Archisen in 2025 to develop a modern Agropolis on an 80.9-hectare site in Sedenak, Johor. The project is expected to attract up to RM500 million in investment and is planned as an integrated agricultural and agri-processing development within the Southern Catalyst Innovation District.

PROPERTY MARKET OVERVIEW 2025

2.2 Industrial Property Market

2.2.1 Overview

Johor: Industrial Property Volume and Value of Transactions, 2023 to Q1-Q3/2025^(p)

Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	354	1,467.47	405	2,715.26	291	2,954.11
▶ Terraced	346	304.75	396	370.48	314	314.12
▶ Semi-Detached	468	1,139.28	431	1,182.26	259	718.60
▶ Detached	212	1,329.66	189	1,766.71	185	2,106.67
▶ Industrial Complex/Unit	3	4.36	0	0.00	0	0.00
▶ Others	190	430.44	170	608.97	115	317.80
Total	1,573	4,675.97	1,591	6,643.69	1,164	6,411.30

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In Johor, the total value of industrial property transactions in 2024 was recorded at RM6,643.69 million, a 42.1% increase from RM4,675.97 million in 2023. Likewise, the transaction volume increased from 1,573 units in 2023 to 1,591 units in 2024. Projects such as the rapid transit system (RTS), the launch of operations on the Gemas-Johor Bharu double-track, and the JS-SEZ have driven investor interest, boosting transactions in Johor.

Subsequently, terraced factories accounted for the most significant volume of unit transactions at 314 units (27.0% shares), which were recorded in Q1-Q3/2025, followed by vacant plots with 291 units (25.0% shares), semi-detached factories 259 units (22.3%), detached factories 185 units (15.9%) and lastly other industrial property type with 115 units (9.9%).

In terms of transaction value by property type in Q1-Q3/2025, vacant plots led with RM2,954.11 million, followed by detached factories with RM2,106.67 million, semi-detached factories accounted for RM718.60 million, industrial properties that were categorised as “others” totalled RM317.80 million and terraced factories at RM314.12 million.

2.2.2 Supply: Existing and Future

As of Q3/2025, the cumulative supply of industrial properties in Johor stood at 19,456 units, increasing from 19,205 units in 2024. The additional 166 units were mainly located in Kulai (138), followed by Kluang (13), Johor Bahru (9), Batu Pahat (5), and Segamat (1).

Johor: Supply of Industrial Properties by Type, 2023 to Q3/2025

State	Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
		2023	2024	Q3/2025	Incoming	Planned
▶ Johor	Terraced	8,276	8,276	8,373	241	74
	Semi-Detached	4,948	4,986	4,936	230	32
	Detached	4,175	4,221	4,351	64	26
	Flatted Factory	0	0	0	0	0
	Industrial Complex	426	427	422	0	0
	Cluster	1,380	1,380	1,374	84	48
	Total	19,205	19,290	19,456	619	180

Source: National Property Information Centre (NAPIC)

PROPERTY MARKET OVERVIEW 2025

In terms of industrial property type, the existing supply in Johor was predominantly terraced factories, totalling 8,373 units (43.0%), followed by semi-detached factories with 4,936 units (25.4%) and detached factories with 4,351 units (22.4%). The future supply pipeline is largely concentrated in terraced factories, comprising 241 incoming units and 74 planned units, followed by semi-detached factories (230 incoming units and 32 planned units), cluster factories (84 incoming units and 48 planned units), and detached factories (64 incoming units and 26 planned units).

Geographically, Johor Bahru is expected to remain the second-largest district in terms of industrial stock over the foreseeable future. As of Q3/2025, Johor Bahru accounted for approximately 15.7% of Malaysia's total industrial supply. Looking ahead, the largest volumes of future industrial supply are expected in Batu Pahat with 267 units (43.1%), followed by Johor Bahru with 257 units (41.5%) and Kota Tinggi with 46 units (7.4%).

Johor: Supply of Industrial Properties by District, 2023 to Q3/2025

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Batu Pahat	1,561	1,575	1,580	267	39
▶ Johor Bahru	12,110	12,162	12,171	257	47
▶ Kluang	1,036	1,055	1,068	2	4
▶ Kota Tinggi	395	395	395	46	16
▶ Kulai	2,593	2,589	2,727	26	0
▶ Mersing	69	69	69	0	0
▶ Muar	199	199	199	21	0
▶ Pontian	509	509	509	0	0
▶ Segamat	514	518	519	0	74
▶ Tangkak	219	219	219	0	0
Total	19,205	19,290	19,456	619	180

Source: National Property Information Centre (NAPIC)

2.2.3 Capital Values

Tabulated below are the general capital values of selected industrial properties in Johor.

Johor: Selected Industrial Property Transactions in 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Pulai, Johor Bahru, Johor	Agricultural Land	22.55	FH	27 th January 2025	119.83	Microsoft Payments (Malaysia) Sdn Bhd
2	Tebrau, Johor Bahru, Johor	Vacant Industrial Land	2.57	FH	4 th February 2025	11.21	Mactree Sdn Bhd
3	Senai Airport City, Senai, Johor	Industrial Land with Building	7.19	FH	5 th February 2025	72.00	MTrustee Berhad

PROPERTY MARKET OVERVIEW 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
4	Eco Business Park I, Tebrau, Johor Bahru, Johor	Vacant Industrial Land	138.53	FH	17 th February 2025	693.96	Microsoft Payments (Malaysia) Sdn Bhd
5	Pelabuhan Tanjung Pelepas, Gelang Patah, Johor	Industrial Land with Building	Non-disclosed	LH	28 th February 2025	27.00	G-Force Sdn Bhd
6	Eco Business Park II (EBP II), Senai, Johor	Industrial Land	32.90	N/A	4 th March 2025	119.00	Deye New Energy Technology (Malaysia) Sdn Bhd
7	Taman Perindustrian i-Park SAC, Senai & Kawasan Perindustrian SILC, Iskandar Puteri, Johor	Industrial Land with Building	8.85	FH	24 th March 2025	100.80	Trustee (on behalf of AME REIT)
8	Persiarian Sentral and Jalan Gelang Patah – Tanjung Kupang, Gerbang Nusajaya, Iskandar Puteri, Johor	Industrial Land	3.53	FH	16 th April 2025	19.23	Buildcon Concrete Sdn Bhd
9	Kawasan Perindustrian Pasir Gudang, Pasir Gudang, Johor	Industrial Land with Building	3.00	LH	16 th April 2025	16.00	Airique Property Sdn Bhd
10	Taman Laman Setia, Gelang Patah, Johor	Industrial Land with Building	2.00	Non-disclosed	25 th June 2025	28.75	JT Automation Technology (Malaysia) Sdn Bhd
11	Taman Gembira, Johor Bahru, Johor	Industrial Land with Building	4.61	FH	4 th August 2025	35.00	Plastico Sdn Bhd
12	Taman Perindustrian Cemerlang, Ulu Tiram, Johor	Industrial Land with Building	3.32	FH	15 th August 2025	28.00	SDS Top Baker Sdn Bhd
13	Bandar Cemerlang Industrial Park, Kota Tinggi, Johor	Vacant Industrial Land	52.54	FH	29 th August 2025	263.21	MSFusion Sdn Bhd
14	Cendana Block 21 Dormitory, Cendana Block 6 Dormitory, Desa Cemerlang Dormitory, Kempas Dormitory, Permas Dormitory & SAC Dormitory, Tebrau, Johor Bahru, Johor	Industrial Land with Building	N/A	N/A	2 nd September 2025	110.80	Centurion Dormitories Sdn Bhd
15	Kampung Kangkar Tebrau, Johor Bahru, Johor	Industrial Land	5.53	FH	23 rd September 2025	19.30	Miroad Rubber Industries Sdn Bhd
16	Jalan Seelong Jaya 15, Senai, Johor Bahru, Johor	Industrial Land with Building	3.90	FH	13 th November 2025	25.30	My Semi Precision Sdn Bhd
17	Kota Tinggi, Johor	Vacant Industrial Land	40.10	FH	14 th November 2025	200.88	Pioneer Real Estate Development Sdn Bhd

PROPERTY MARKET OVERVIEW 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
18	Kota Tinggi, Johor	Vacant Industrial Land	49.72	FH	14 th November 2025	249.07	Pioneer Real Estate Development Sdn Bhd
19	Johor-Singapore Special Economic Zone, Kulai, Johor	Industrial Land	941.82	FH	19 th November 2025	814.78	Eco Business Park 8 Sdn Bhd
20	Sungai Raya, Muar, Johor	Industrial Land with Building	2.26	LH	2 nd December 2025	9.50	Muar Ban Lee Technology Sdn Bhd
21	Kawasan Perindustrian Bukit Pasir, Muar, Johor	Industrial Land with Building	5.12	FH	3 rd December 2025	23.50	Bripanel Industries Sdn Bhd
22	Persiaran Sentral and Jalan Gelang Patah – Tanjung Kupang, Gerbang Nusajaya, Iskandar Puteri, Johor	Vacant Industrial Land	13.46	FH	4 th December 2025	64.47	GSP Automotive Malaysia Sdn Bhd
23	Senai, Kulai, Johor	Industrial Land	419.15	FH	19 th December 2025	273.87	M Industrial Development Sdn Bhd
24	i-TechValley, Phase 3, Southern Industrial and Logistics Clusters, Iskandar Puteri, Johor	Industrial Land with Building	16.95	FH	22 nd December 2025	220.80	MTrustee Berhad
25	Kawasan Perindustrian Senai Fasa 3, Senai, Johor	Industrial Land with Building	2.00	LH	31 st December 2025	34.61	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

2.2.4 Rental Values

In 2025, the average monthly asking rents for detached factories in Pasir Gudang ranged from RM1.40 to RM1.80 per sq. ft. In Tanjung Pelepas Port, older detached units ranged from RM1.50 to RM1.90 per sq. ft. per month, while high-specification detached units commanded higher rentals, ranging from RM2.00 to RM2.50 per sq. ft. per month.

In Gelang Patah, asking rents ranged from RM1.30 to RM2.00 per sq. ft. per month, whereas in Nusa Cemerlang, Nusajaya (SILC), asking rentals ranged between RM1.70 and RM2.40 per sq. ft. per month.

Monthly asking rents in Taman Perindustrian Cemerlang, Ulu Tiram, ranged from RM1.20 to RM1.70 per sq. ft.

In Senai, the general asking rentals ranged from RM1.30 per sq. ft. to RM1.70 per sq. ft. per month, while new high specification detached units ranged from RM2.30 to RM2.50 per sq. ft. Meanwhile, in Kawasan Perindustrian Senai, iPark @ Senai City recorded monthly asking rentals ranging from RM1.50 per sq. ft. to RM1.90 per sq. ft. Similar industrial properties in iPark @ Indahpura recorded asking rentals of RM1.40 per sq. ft. to RM1.80 per sq. ft. per month for older factories, while new high-specification factories ranged between RM2.10 and RM2.40 per sq. ft. per month.

PROPERTY MARKET OVERVIEW 2025

3.0 PENANG

3.1 Industrial Sector

Penang approved 146 manufacturing projects worth RM15.8 billion as of Q1-Q3/2025, representing a 30% increase in total capital investment compared to the previous year (Q3/2024: 131 projects worth RM12.1 billion).

Penang: Approved Manufacturing Projects, 2023 to Q1-Q3/2025

Penang	2023	2024	Q1-Q3/2025
▶ Number of Approved Projects	149	182	146
▶ Total Capital Investment (RM Million)	63,420.6	17,313.0	15,786.1

Source: Malaysia Investment Development Authority (MIDA)

In 2025, notable industrial sector announcements in Penang included:

Manufacturing

- HP Inc. Malaysia launched the HP Malaysia Manufacturing (HPMM) Transformation Centre in Batu Kawan, Penang, in 2025. The 4,639 sq. ft. facility supports manufacturing transformation initiatives incorporating automation and digital manufacturing technologies.
- M.A.i GmbH & Co. KG, a German automation solutions provider, commenced operations at its new production and sales facility located along Jalan Jelawat, Seberang Jaya, Penang, in 2025, marking the company's expansion in Southeast Asia.
- Benchmark Penang commenced construction of its PT4 facility, its fifth manufacturing site in Penang, located adjacent to its existing operations in Batu Kawan Industrial Park, in 2025. The two-storey facility, with a total built-up area of approximately 215,000 sq. ft., includes office space, production areas with cleanrooms, machining facilities, powder coating, and a multi-storey car park. Completion is targeted beyond 2025.
- Advanced Semiconductor Engineering, Inc. (ASE) inaugurated its fifth manufacturing plant in Penang in 2025, located within the Bayan Lepas Free Industrial Zone. The facility forms part of ASE's expansion programme to increase its total floor space in Malaysia to approximately 3.4 million sq. ft.
- JHT Semiconductor Sdn Bhd, a wholly owned subsidiary of JHT Design Co Ltd, commenced operations at its manufacturing facility in Batu Kawan, Penang, in 2025, expanding its production capacity for integrated circuit test handlers.
- Hotayi Electronic (M) Sdn Bhd commenced its Phase 3 expansion in Batu Kawan, Penang, in 2025. The development involves a 380,000 sq. ft. manufacturing facility supported by a total investment of RM500 million.
- Sustio Sdn Bhd, a company within the Simmtech Group, completed its Phase 2 expansion with the opening of its second operations facility in Batu Kawan, Penang, in 2025, involving a total investment of RM326 million. Additional development phases have been announced for the existing site.
- Trensor Co. Ltd. commenced construction of its first overseas manufacturing facility at Penang Technology Park @ Bertam in 2025, involving an investment of RM100 million. The four-storey facility, with a built-up area of approximately 107,639 sq. ft., is expected to support automotive sensor manufacturing.
- INV New Material Technology (M) Sdn Bhd commenced operations at its lithium-ion battery separator manufacturing facility in Penang in 2025, with a total investment of RM3.2 billion. The plant is designed to produce up to 1.3 billion sq m of wet-processed and coated separators annually.

PROPERTY MARKET OVERVIEW 2025

- SuperSiC (Malaysia) Sdn Bhd, a subsidiary of Zhejiang Jingsheng (China), has commenced construction of a 430,556 sq. ft. semiconductor manufacturing facility at Penang Technology Park, Bertam. Upon completion of Phase 1, the plant is designed to produce 240,000 eight-inch silicon carbide wafers annually.
- Vivax-Metrotech Corporation (VXMT) commenced operations at its manufacturing facility in Batu Kawan, Penang, in 2025, following an investment of RM48 million. The facility includes 16 assembly production lines and cleanroom operations.
- Dialight Penang Sdn Bhd commenced operations at its new 57,000 sq. ft. LED lighting manufacturing facility in Perai, Penang, in 2025, consolidating its lighting and optoelectronics product lines.
- UMediC Group Bhd (UMC) completed an expansion of its manufacturing operations at Batu Kawan Industrial Park, Penang, in 2025, adding approximately 20,000 sq. ft. of production space to its existing facility.
- Linktel Technologies Sdn Bhd commenced operations at its Plant 2 in Penang in 2025, following an investment of RM200 million. The facility manufactures optical transceivers for data centre and computing applications.
- Polyplas Sdn Bhd, a subsidiary of Ge-Shen Corporation Bhd, commenced operations at its high-technology manufacturing facility in Penang in 2025, involving a total investment of RM74 million, including expenditure on plant construction and machinery.

Logistics/Warehousing

- DHL Supply Chain inaugurated Penang Logistics Hub 5 at the Bayan Lepas Free Industrial Zone in 2025. The 236,806 sq. ft. facility was developed with an investment of €30 million (RM142 million) in warehouse construction and €12 million (RM57 million) in robotic automation.
- Nippon Express (Malaysia) Sdn Bhd commenced operations at the Batu Kawan Logistics Centre in Penang in 2025. The 99,071 sq. ft. fully air-conditioned warehouse is located near Batu Kawan Industrial Park.
- Federal Express Corporation entered into an MoU with Penang Development Corporation (PDC) in 2025 to develop a 100,000 sq. ft. logistics facility within the proposed Penang International Logistics Aeropark (PILA), involving an estimated investment of RM46 million. Completion is scheduled for the end of 2028.
- United Parcel Service (UPS) commenced operations at a new 20,000 sq. ft. package centre at Penang Science Park North and expanded its existing hub at Penang International Airport in 2025 to increase processing capacity.

Data Centre

- The Penang state government has announced plans to develop a Tier III data centre in the Bayan Lepas Free Industrial Zone (FIZ) to support Exabytes, a local web hosting service provider. The facility is intended to enhance data centre capacity and reliability within Penang's digital infrastructure ecosystem.
- Open DC has commenced operations at PE2, a 30 MW data centre located in Bayan Lepas Technology Park, Penang. The facility represents the largest data centre on Penang Island and is designed to support high-density computing and low-latency connectivity requirements.

Industrial Park Development

- S P Setia Bhd entered into a Memorandum of Collaboration (MoC) with the Penang Development Corporation (PDC) in 2025 to jointly develop an approximately 350-acre mixed-use and industrial development within the Setia Fontaines township in Kepala Batas, Penang.
- AME Elite Consortium Bhd and Majestic Builders Sdn Bhd formed a 50:50 joint venture in 2025 to develop Northern TechValley @ BKE, a 176-acre freehold integrated industrial park located in Suling Hill, Seberang Perai Tengah, Penang. The project, with an estimated GDV of RM1.3 billion, will be undertaken through a special-purpose vehicle, Suling Hill Development Sdn Bhd.

PROPERTY MARKET OVERVIEW 2025

- Silicon Island Development Sdn Bhd announced Phase 1 of the Green Tech Park in 2025, a proposed industrial and technology-focused development intended to support high-value electronics and electrical (E&E) activities in Penang. Construction of Phase 1 is scheduled to commence in 2026, with operations targeted to begin in early 2027.

Others

- KUKA Robotics Malaysia commenced operations at its new Penang branch in Bandar Cassia, Batu Kawan, in 2025, expanding the company's presence in industrial automation and robotics services in Malaysia.
- The Penang state government inaugurated the Penang Silicon Research and Incubation Space, a 36,000 sq. ft. semiconductor innovation facility located at GBS TechSpace, Bayan Lepas, in 2025. The facility was launched under the Penang Silicon Design @5KM+ (PSD@5KM+) initiative to support semiconductor design, research, and incubation activities.
- Coherent Corp. commenced operations at its Datacom Research and Development Centre in Menara IJM Land, Penang, in 2025. The centre focuses on research and development of optical transceivers and silicon photonics technologies.
- Advanced Micro Devices, Inc. (AMD) expanded its operations in Malaysia with the opening of a new office and engineering laboratory at GBS by the Sea, Bayan Lepas, Penang, in 2025. The facility comprises approximately 209,000 sq. ft. and includes office and laboratory space to support engineering and development functions.
- Bitdeer Technologies Group commenced operations at its facility in Penang in 2025, marking the company's first presence in Malaysia. The facility houses research and development laboratories and supports regional operations for high-performance computing hardware and associated supply chain activities.

3.2 Industrial Property Market

3.2.1 Overview

Penang: Industrial Property Volume and Value of Transactions, 2023 to Q1-Q3/2025^(p)

Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	232	791.26	129	353.79	92	361.06
▶ Terraced	178	159.34	186	180.17	119	97.89
▶ Semi-Detached	115	333.85	91	266.26	52	171.90
▶ Detached	71	698.88	74	943.62	45	634.89
▶ Industrial Complex/Unit	21	17.89	18	9.31	14	14.47
▶ Others	16	53.87	2	5.32	5	29.97
Total	633	2,055.09	500	1,758.47	327	1,310.18

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In Penang, the total value of industrial property transactions in 2024 amounted to RM1,758.47 million, representing a 14.4% decline from the RM2,055.09 million recorded in 2023. Transaction volume also moderated, decreasing by 21.0% from 633 units in 2023 to 500 units in 2024.

As of Q1-Q3/2025, a total of 327 industrial property transactions were recorded, with a combined transaction value of RM1,310.18 million. By property type, terraced factories accounted for the highest number of transactions with 119 units (36.4%), followed by vacant industrial land with 92 units (28.1%), semi-detached factories with 52 units (15.9%), detached factories with 45 units (13.8%), industrial complexes/units with 14 units (4.3%), and other factory types with 5 units (1.5%).

PROPERTY MARKET OVERVIEW 2025

3.2.2 Supply: Existing and Future

As of Q3/2025, Penang's cumulative existing supply of industrial properties stood at 9,974 units. Terraced factories accounted for the largest component of the existing stock, totalling 5,291 units (53.0%), followed by semi-detached factories with 2,064 units (20.7%) and detached factories with 2,000 units (20.1%).

Penang: Supply of Industrial Properties by Type, 2023 to Q3/2025

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Terraced	5,223	5,268	5,291	18	0
▶ Semi-Detached	2,000	2,084	2,064	151	0
▶ Detached	1,965	2,000	2,000	52	0
▶ Flatted Factory	511	512	534	2	0
▶ Industrial Complex	72	72	68	0	0
▶ Cluster	17	17	17	0	0
Total	9,788	9,953	9,974	223	0

Source: National Property Information Centre (NAPIC)

During the same period, Penang's incoming industrial supply comprised 223 units in the development pipeline, primarily made up of semi-detached factories with 151 units (67.7%), followed by detached factories with 52 units (23.3%) and terraced factories with 18 units (8.1%). There was no planned industrial supply recorded in Penang as at Q3/2025.

Penang: Supply of Industrial Properties by District, 2023 to Q3/2025

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Barat Daya	896	906	915	22	0
▶ Seberang Perai Selatan	1,137	1,187	1,187	100	0
▶ Seberang Perai Tengah	5,449	5,540	5,539	78	0
▶ Seberang Perai Utara	1,474	1,488	1,501	23	0
▶ Timur Laut	832	832	832	0	0
Total	9,788	9,953	9,974	223	0

Source: National Property Information Centre (NAPIC)

Geographically, incoming industrial supply was largely concentrated in Seberang Perai Selatan, which accounted for 100 units (44.8%), followed by Seberang Perai Tengah with 78 units (35.0%), Seberang Perai Utara with 23 units (10.3%), and Barat Daya with 22 units (9.9%).

Looking ahead, several ongoing industrial developments are expected to contribute to Penang's future industrial supply. These include an approximately 350-acre mixed-use and industrial development within the Setia Fontaines township in Kepala Batas, undertaken by S P Setia in collaboration with the Penang Development Corporation; a 176-acre freehold integrated industrial park, Northern TechValley @ BKE, located in Suling Hill, Seberang Perai Tengah, developed by AME Elite Consortium Bhd and Majestic Builders Sdn Bhd; and the Green Tech Park, a 700-acre industrial development by Silicon Island Development Sdn Bhd.

PROPERTY MARKET OVERVIEW 2025

3.2.3 Capital Values

The table below lists selected industrial property transactions in Penang in 2025.

Penang: Selected Industrial Property Transactions in 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Jalan Perindustrian Bukit Minyak 18, Pulau Pinang	Vacant Industrial Land	7.23	LH	16 th January 2025	18.90	SBH Marine Industries Sdn Bhd
2	Medan Bayan Lepas, Technoplex, Bayan Lepas, Pulau Pinang	Industrial Land with Building	10.00	LH	12 th February 2025	140.00	Open DC PE2 Asset Sdn Bhd
3	Bayan Lepas Industrial Park (Phase 4), Pulau Pinang	Industrial Land with Building	1.89	LH	19 th February 2025	30.00	MTrustee Berhad
4	Jalan Juru, Simpang Ampat, Pulau Pinang	Industrial Land with Building	2.83	LH	07 th March 2025	16.35	NE Technologies Sdn Bhd
5	Seberang Perai Selatan, Pulau Pinang	Vacant Land	21.16	FH	21 st April 2025	30.41	Astino (Malaysia) Colour Steel Sheets Sdn Bhd
6	Kawasan Perusahaan Perai, Perai, Pulau Pinang	Industrial Land with Building	5.86	LH	16 th May 2025	22.00	Nation Robo Sdn Bhd
7	Seberang Perai Tengah, Pulau Pinang	Vacant Land	31.76	FH	09 th June 2025	48.41	Chin Well Holdings Berhad
8	Plot 81A at Bayan Lepas Industrial Park, Pulau Pinang	Industrial Land	3.60	LH	23 rd July 2025	25.09	TT Vision Technologies Sdn Bhd
9	Kawasan Perusahaan Perai, Perai, Pulau Pinang	Industrial Land with Building	2.00	LH	01 st August 2025	23.50	Oriental Fastech Manufacturing Sdn Bhd
10	Seberang Perai Tengah, Pulau Pinang	Vacant Land	26.37	FH	08 th August 2025	82.70	Prefab Master (Penang) Sdn Bhd
11	Seberang Perai Selatan, Pulau Pinang	Industrial Land with Building	2.70	FH	12 th September 2025	30.00	Pharmaniaga Logistics Sdn Bhd
12	Perai Industrial Estate, Perai, Seberang Perai Tengah, Pulau Pinang	Industrial Land with Building	3.02	LH	17 th September 2025	18.00	Hong Kuan Metals Recycle Sdn Bhd
13	Free Industrial Zone (FIZ), Bayan Lepas, Pulau Pinang	Industrial Land with Building	4.20	LH	21 st October 2025	35.00	Osram Opto Semiconductors (Malaysia) Sdn Bhd
14	National Free Trade Zone (NFTZ), Bayan Lepas, Pulau Pinang	Industrial Land with Building	1.81	LH	28 th October 2025	39.80	Ambu Sdn Bhd
15	Bandar Perai, Seberang Perai Tengah, Pulau Pinang	Industrial Land with Building	135.53	FH	05 th November 2025	800.00	RHB Trustees Berhad (As Trustee for Axis Real Estate Investment Trust)

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

PROPERTY MARKET OVERVIEW 2025

3.2.4 Rental Values

In 2025, the monthly asking rental rates for detached factories in Bayan Lepas Industrial Park ranged from RM2.30 to RM4.50 per sq. ft.

For older detached industrial premises in Bukit Tengah Industrial Park, monthly asking rents ranged from RM1.15 to RM1.50 per sq. ft. while higher-specification factories command higher rents ranged from RM2.00 to RM2.20 per sq. ft. Meanwhile, comparable properties in Prai Industrial Estate recorded asking rents of between RM2.00 and RM2.40 per sq. ft.

Comparable industrial properties in Bukit Minyak Industrial Park and Penang Science Park recorded monthly asking rental rates of RM1.60 to RM2.20 per sq. ft.

4.0 PAHANG

4.1 Industrial Sector

In 2024, Pahang approved 30 manufacturing projects, doubling from 15 projects in 2023. Correspondingly, total capital investment increased from RM1.38 billion in 2023 to RM1.87 billion in 2024. As of Q1-Q3/2025, the state had secured approximately RM3.68 billion in capital investment, covering 17 approved manufacturing projects.

Pahang: Approved Manufacturing Projects, 2023 to Q1-Q3/2025

Pahang	2023	2024	Q1-Q3/2025
▶ Number of Approved Projects	15	30	17
▶ Total Capital Investment (RM Million)	1,380.2	1,870.0	3,682.2

Source: Malaysia Investment Development Authority (MIDA)

In 2025, notable industrial sector announcements in Pahang include:

Manufacturing

- Malaysia's first high-automation ammunition manufacturing plant was inaugurated on 6 February 2025 in Lipis, Pahang. The facility is designed to produce 9 mm and 5.56 mm ammunition, with an annual production capacity of several million rounds.
- Nextgreen Global Bhd, in partnership with Xiamen C&D Paper & Pulp Group (China), is developing a pulp manufacturing plant in Pahang with a capacity of 150,000 tonnes per annum. The RM900 million project is located within the East Coast Economic Region (ECER) Special Economic Zone and will utilise palm biomass as feedstock.
- JS Link, in collaboration with Lynas Malaysia, is developing a permanent magnet manufacturing facility in Kuantan, Pahang, involving an investment of RM600 million. The facility is planned to produce up to 3,000 tonnes per annum of neodymium-iron-boron (NdFeB) permanent magnets and is located near the Lynas Advanced Materials Plant.

Industrial Park Development

- Citaglobal Bhd announced in 2025 that its subsidiary, Citaglobal Property Development Sdn Bhd, exercised a call option to acquire approximately 247 acres of industrial land in Gebeng, Pahang, for a consideration of RM90 million, to be settled via cash and convertible preference shares. The site is intended for development into an industrial park with an estimated gross development value of RM321 million to RM397 million.

PROPERTY MARKET OVERVIEW 2025

Others

- Pahang attracted approximately RM8.9 billion in approved investments during the first nine months of 2025, representing more than 90% of the state's annual investment target. Of this amount, RM5.0 billion had been realised as at the reporting period, supporting the creation of 2,846 jobs, with a further 3,185 jobs expected from approved projects. The investments comprise projects across sectors, including data centres, aluminium alloy wheel manufacturing, green technology, and phosphate manufacturing.
- The Pahang state government announced in 2025 a development plan for areas surrounding seven East Coast Rail Link (ECRL) stations. The plan covers a 15-kilometre radius around each station and includes proposed developments such as residential projects, inland port facilities, commercial and administrative centres, hotels, and mixed-use developments. Key initiatives announced include an integrated terminal in Bentong, a smart city development in Temerloh, and a maritime-related development in Tanjung Gelang, to be implemented by the respective local authorities.

4.2 Industrial Property Market

4.2.1 Overview

Pahang: Industrial Property Volume and Value of Transactions, 2023 to Q1-Q3/2025^(p)

Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	69	375.68	153	309.54	71	330.40
▶ Terraced	58	25.21	74	33.69	55	21.30
▶ Semi-Detached	11	10.26	26	22.02	14	10.86
▶ Detached	14	35.98	20	90.81	12	49.76
▶ Industrial Complex/Unit	0	0.00	0	0.00	0	0.00
▶ Others	11	11.18	14	10.59	17	3.38
Total	163	458.31	287	466.65	169	415.70

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

In 2024, the aggregate value of industrial property transactions in Pahang increased to RM466.65 million, from RM458.31 million recorded in 2023. Transaction volume rose by 76.1%, from 163 transactions in 2023 to 287 transactions in 2024. The increase in aggregate transaction value was largely driven by detached industrial properties, where total transaction value rose from RM35.98 million in 2023 to RM90.81 million in 2024.

As at Q1-Q3/2025, a total of 169 industrial property transactions were recorded, with a combined transaction value of RM415.70 million. By transaction volume, vacant industrial land accounted for the largest share, with 71 transactions (42.0%), followed by terraced factories with 55 transactions (32.5%), "other" property types with 17 transactions (10.1%), semi-detached factories with 14 transactions (8.3%), and detached factories with 12 transactions (7.1%).

In terms of transaction value by property type for Q1-Q3/2025, vacant industrial land recorded the highest value at RM330.40 million, followed by detached factories at RM49.76 million, terraced factories at RM21.30 million, semi-detached factories at RM10.86 million, and "other" property types at RM3.38 million.

PROPERTY MARKET OVERVIEW 2025

4.2.2 Supply: Existing and Future

Pahang: Supply of Industrial Properties by Type, 2023 to Q3/2025

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Terraced	2,397	2,402	2,402	39	39
▶ Semi-Detached	412	412	412	20	6
▶ Detached	798	799	803	0	0
▶ Flatted Factory	0	0	0	0	0
▶ Industrial Complex	73	73	74	0	0
▶ Cluster	0	0	0	0	0
Total	3,680	3,686	3,691	59	45

Source: National Property Information Centre (NAPIC)

As of Q3/2025, the cumulative supply of industrial properties in Pahang stood at 3,691 units, reflecting incremental additions of three units in Raub, two units in Pekan, and one unit in Rompin during the period. The largest concentration of existing industrial supply was in Kuantan with 1,900 units (51.5%), followed by Temerloh with 755 units (20.5%) and Rompin with 259 units (7.0%). Looking ahead, the 104 units of future supply are primarily located in Raub with 92 units (88.5%), while the remaining 12 units (11.5%) are situated in Kuantan.

By property type, existing industrial stock in Q3/2025 was dominated by terraced factories, totalling 2,402 units (65.1%). This was followed by detached factories (803 units, 21.8%), semi-detached factories (412 units, 11.2%), and industrial complexes (74 units, 2.0%).

The future supply pipeline comprises 104 units, consisting mainly of terraced factories (78 units), followed by semi-detached factories (26 units).

Pahang: Supply of Industrial Properties by District, 2023 to Q3/2025

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Bentong	150	150	150	0	0
▶ Bera	59	59	59	0	0
▶ Cameron Highlands	38	38	38	0	0
▶ Jerantut	206	211	211	0	0
▶ Kuantan	1,900	1,901	1,900	12	0
▶ Lipis	105	105	105	0	0
▶ Maran	67	67	67	0	0
▶ Pekan	61	61	63	0	0
▶ Raub	81	81	84	47	45
▶ Rompin	258	258	259	0	0
▶ Temerloh	755	755	755	0	0
Total	3,680	3,686	3,691	59	45

Source: National Property Information Centre (NAPIC)

PROPERTY MARKET OVERVIEW 2025

4.2.3 Capital Values

Listed below are selected transactions in 2025.

Pahang: Selected Industrial Property Transactions in 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Kawasan Perindustrian Gebeng, Kuantan, Pahang	Vacant Industrial Land	43.89	LH	20 th January 2025	40.00	G-Force Sdn Bhd
2	Kawasan Perindustrian Gebeng, Kuantan, Pahang	Industrial Land	247.00	LH	9 th September 2025	90.00	Citaglobal Property Development Sdn Bhd
3	Green Technology Park, Pahang	Vacant Industrial Land	81.04	LH	5 th December 2025	70.40	Neuwhite Paper Pulp Sdn Bhd

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

4.2.4 Rental Values

In 2025, monthly asking rental rates for detached factories in the Kuantan district generally ranged from RM1.10 to RM1.50 per sq. ft. Within Semambu Industrial Park, rates ranged from RM1.20 to RM1.70 per sq. ft., while the Kuantan Industrial Area recorded monthly asking rental rates of between RM1.20 and RM1.50 per sq. ft.

5.0 NEGERI SEMBILAN

5.1 Industrial Sector

In 2024, Negeri Sembilan approved 49 manufacturing projects with a total capital investment of approximately RM5.35 billion, a 29.5% decline from 2023. During Q1-Q3/2025, the state recorded 36 approved manufacturing projects with a total capital investment of RM4.80 billion, reflecting a 6.8% decrease from the RM5.15 billion recorded in Q1-Q3/2024.

Negeri Sembilan: Approved Manufacturing Projects, 2023 to Q1-Q3/2025

Negeri Sembilan	2023	2024	Q1-Q3/2025
▶ Number of Approved Projects	38	49	36
▶ Total Capital Investment (RM Million)	7,601.7	5,356.2	4,802.4

Source: Malaysia Investment Development Authority (MIDA)

PROPERTY MARKET OVERVIEW 2025

Notable industrial sector announcements in 2025 include:

Manufacturing

- TOA Paint expanded production capacity at its Nilai, Negeri Sembilan manufacturing plant in 2025, targeting an annual output of approximately two million gallons. The expansion includes diversification into additional coating product lines and is supported by local research and development activities.
- My Nafco Precision commenced operations at a new aerospace manufacturing facility in Seremban, Negeri Sembilan, involving an investment of approximately US\$40 million. The facility occupies a 5.81-acre site with a built-up area of approximately 37,670 sq. ft. A second facility with a planned built-up area of approximately 204,500 sq. ft. has been announced for development beyond 2025.
- Hunan Yuneng (China) announced plans in 2025 to establish its first Southeast Asian manufacturing facility at SPD Tech Valley, Senawang, Negeri Sembilan. Phase 1, involving an investment of RM560 million, is designed to produce lithium battery cathode materials with an annual capacity of approximately 90,000 tonnes. Completion is planned beyond 2025.
- Exis Tech Sdn Bhd, a subsidiary of CCTECH, commenced operations at its second semiconductor manufacturing facility in Senawang, Negeri Sembilan, in 2025, involving a Phase 1 investment of RM25 million. A Phase 2 expansion, with investment exceeding RM100 million, has been announced and is planned to commence beyond 2025.

Logistics/Warehousing

- The Negeri Sembilan state government, through Perbadanan Kemajuan Negeri Negeri Sembilan (PKNNS), announced plans in 2025 to develop a Regional Halal Distribution Centre in Bandar Enstek, involving an investment of approximately RM400 million. The project occupies a 13.4-acre site, with construction scheduled to commence in September 2025, and is planned as an automated logistics facility incorporating digital and smart systems. The development is undertaken in collaboration with Gobuilders Netsoft.
- Matrix Concepts and Golog Holdings announced in 2025 the development of a 618-acre industrial park within MVV TechValley, Negeri Sembilan. The project includes a 106-acre logistics hub planned to support advanced logistics and distribution functions. The development forms part of the broader MVV TechValley master plan.

Data Centre

- Gamuda Berhad commenced site works in 2025 for a 389-acre data centre campus in Port Dickson, Negeri Sembilan, following the acquisition of the land for RM424.4 million. The development includes a 65 million litres per day (ML/day) water treatment plant, to be implemented under a memorandum of understanding with Menteri Besar Incorporated Negeri Sembilan (MBINS). The plant is planned to supply water for both local consumption and data centre operations.
- Negeri Sembilan announced in 2025 the development of two large-scale data centre projects within the state. These comprise a green data centre in Nilai, led by US-based investors, and an AI-focused data centre facility in Springhill, Port Dickson, undertaken by Gamuda Berhad. Land acquisition has been completed, and earthworks have commenced. Supporting infrastructure includes a planned 67 ML/day water treatment plant to meet operational requirements and support the local water supply.

Industrial Park Development

- Sime Darby Property launched Vision Business Park, a 760-acre industrial-led development within Malaysia Vision Valley 2.0 (MVV 2.0), Negeri Sembilan, in 2025. The project has an estimated gross development value (GDV) of RM2.4 billion and is planned with an industrial-to-commercial land use mix of approximately 80:20.
- SD Guthrie and Menteri Besar Incorporated Negeri Sembilan (MBINS) announced a partnership in 2025 to develop a 600-acre industrial park in Port Dickson, forming part of the Port Dickson Free Zone under MVV 2.0. Infrastructure works are targeted to commence in Q2/2026.

PROPERTY MARKET OVERVIEW 2025

- Matrix Concepts Holdings and Golog Holdings announced in 2025 the development of the China–Malaysia Air Silk Road Dual Hub Industrial Park, a 618-acre industrial development within MVV TechValley, Negeri Sembilan, with an estimated GDV of RM8.0 billion. The project is planned for three phases and includes a 106-acre logistics hub.
- Eco World Development Group, in collaboration with Negeri Sembilan Corporation (NS Corp) and SD Guthrie, launched Eco Business Park 7 in Labu, Negeri Sembilan, in 2025. The project comprises approximately 1,195 acres within MVV 2.0 and carries an estimated GDV of RM3.0 billion. Phase 1 includes a mix of cluster factories, semi-detached factories, and industrial land parcels.

Others

- The Negeri Sembilan state government announced in 2025 the development of Auto City, a proposed automotive-focused industrial and commercial hub within Nilai Smart City, Negeri Sembilan. The project involves an estimated investment of RM1.0 billion and covers approximately 1,800 acres. The development is planned to accommodate automotive-related facilities, including vehicle showrooms, service centres, and manufacturing-related uses.
- The Negeri Sembilan state government, through Perbadanan Kemajuan Negeri Negeri Sembilan (PKNNS), announced in 2025 the development of a Regional Halal Distribution Centre (RHDC) in Bandar Enstek, involving an estimated investment of RM400 million on a 13.4-acre site. Construction is scheduled to commence in September 2025. The facility is planned to support halal logistics and distribution activities.
- Nilai Advanced Photonic AI Manufacturing City was announced in 2025 as a proposed photonic computing and semiconductor manufacturing development in Nilai, Negeri Sembilan. The project is planned as a collaboration between the Hosein Family Office (United States) and the Gan Family Office (Malaysia), with a proposed investment value of approximately US\$20 billion. The development is planned to span approximately 3,000 acres and will be implemented in phases.

5.2 Industrial Property Market

5.2.1 Overview

Negeri Sembilan: Industrial Property Volume and Value of Transactions, 2023 to Q1-Q3/2025^(p)

Industrial Property Type	2023		2024		Q1-Q3/2025 ^(p)	
	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)	Volume (No. of Units)	Value (RM Million)
▶ Vacant Plot	147	405.83	141	308.08	49	664.03
▶ Terraced	213	107.37	176	89.30	31	14.47
▶ Semi-Detached	92	221.99	58	80.12	30	82.31
▶ Detached	35	364.13	55	441.24	8	81.63
▶ Industrial Complex/Unit	1	16.21	3	85.20	0	0
▶ Others	4	16.16	9	5.50	8	18.33
Total	492	1,131.68	442	1,009.43	126	860.78

Source: National Property Information Centre (NAPIC)

Note: ^(p) = Preliminary data

PROPERTY MARKET OVERVIEW 2025

In 2024, a total of 442 industrial property transactions were recorded in Negeri Sembilan, with an aggregate transaction value of RM1,009.43 million. This represented a 10.8% decline in transaction value compared with RM1,131.68 million in 2023, while transaction volume decreased by 10.2% from 492 units in 2023. Most industrial property categories recorded lower transaction values during the year. The exceptions were detached factories and industrial complexes/units, which registered increases of 21.2% and 425.6%, respectively. Transaction value for detached factories rose from RM364.13 million in 2023 to RM441.24 million in 2024, while industrial complexes/units increased from RM16.21 million to RM85.20 million over the same period. Detached factories accounted for the largest share of transaction value in 2024, with RM441.24 million, representing 43.7% of the total.

As of Q1-Q3/2025, 376 industrial property transactions were recorded, with a total transaction value of RM1,630.19 million. By transaction volume, vacant industrial land accounted for the largest number of transactions with 158 plots (42.0%), followed by terraced factories with 120 units (31.9%), semi-detached factories with 57 units (15.2%), detached factories with 32 units (8.5%), and other factory types with 9 units (2.4%). No transactions involving industrial complexes/units were recorded during the period.

In terms of transaction value as at Q1-Q3/2025, vacant industrial land recorded the highest aggregate value at RM1,093.41 million, followed by detached factories at RM320.86 million, semi-detached factories at RM138.77 million, terraced factories at RM58.81 million and other factory types at RM18.34 million.

5.2.2 Supply: Existing and Future

Negeri Sembilan: Supply of Industrial Properties by Types, 2023 to Q3/2025

Industrial Property Type	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Terraced	3,734	3,734	3,745	92	47
▶ Semi-Detached	872	872	964	260	399
▶ Detached	747	747	865	22	160
▶ Flatted Factory	0	0	0	0	0
▶ Industrial Complex	221	221	221	0	0
▶ Cluster	0	0	0	64	116
Total	5,574	5,574	5,795	438	722

Source: National Property Information Centre (NAPIC)

As of Q3/2025, the cumulative supply of existing industrial properties in Negeri Sembilan increased to 5,795 units, representing a 4.0% increase from 5,574 units in the previous year. The majority of existing stock comprised terraced factories, totalling 3,745 units (64.6%), followed by semi-detached factories with 964 units (16.6%) and detached factories with 865 units (14.9%).

During the same period, Negeri Sembilan's industrial supply pipeline totalled 1,160 units, largely made up of semi-detached factories with 659 units (56.8%), followed by detached factories at 182 units (15.7%), cluster factories at 180 units (15.5%), and terraced factories at 139 units (12.0%).

In terms of geographical distribution, Seremban remained the dominant district, accounting for 4,736 units (81.7%) of existing industrial supply as at Q3/2025, followed by Jempol with 312 units (5.4%) and Port Dickson with 282 units (4.9%). Looking ahead, the future supply pipeline is similarly concentrated in Seremban, which accounts for 909 units (78.4%), followed by Port Dickson with 211 units (18.2%) and Jempol with 40 units (3.4%).

PROPERTY MARKET OVERVIEW 2025

Negeri Sembilan: Supply of Industrial Properties by District, 2023 to Q3/2025

District	Existing Supply (No. of Units)			Future Supply (No. of Units)	
	2023	2024	Q3/2025	Incoming	Planned
▶ Jelebu	5	5	5	0	0
▶ Jempol	312	312	312	25	15
▶ Kuala Pilah	159	159	159	0	0
▶ Port Dickson	282	282	282	62	149
▶ Rembau	35	35	35	0	0
▶ Seremban	4,515	4,515	4,736	351	558
▶ Tampin	266	266	266	0	0
Total	5,574	5,574	5,795	438	722

Source: National Property Information Centre (NAPIC)

5.2.3 Capital Values

Notable industrial property transactions in Negeri Sembilan in 2025 are shown below.

Negeri Sembilan: Selected Industrial Property Transactions in 2025

No.	Location	Property Details	Land Area (Acres)	Tenure ⁽¹⁾	Date of Transaction	Consideration (RM Million)	Buyer
1	Labu, Seremban, Negeri Sembilan	Agricultural Land	2.70	Non-disclosed	2 nd January 2025	7.41	PeterLabs Sdn Bhd
2	MVV Techvalley, Labu, Seremban, Negeri Sembilan	Vacant Agricultural Land	38.65	FH	12 th February 2025	90.91	Kuntum Kemuning Sdn Bhd
3	Senawang Industrial Park, Seremban, Negeri Sembilan	Industrial Land with Building	4.12	FH	28 th March 2025	19.50	Vazzo Marketing Sdn Bhd
4	Nilai Inland Port, Bandar Nilai Utama, Negeri Sembilan	Vacant Industrial Land	10.39	FH	17 th April 2025	31.30	Widad Development (Nilai) Sdn Bhd
5	Parcel C of Malaysia Vision Valley 2.0, Port Dickson, Negeri Sembilan	Industrial Land	1,195.35	FH	18 th April 2025	572.76	Eco Business Park 7 Sdn Bhd
6	Port Dickson, Negeri Sembilan	Industrial Lands	389.00	FH	2 nd May 2025	455.23	Pearl Computing Malaysia Sdn Bhd
7	Hamilton Industrial Park, Nilai, Negeri Sembilan	Vacant Industrial Land	9.14	FH	24 th June 2025	29.76	Kumkang Kind (M) Sdn. Bhd.
8	Hamilton Industrial Park, Nilai, Negeri Sembilan	Vacant Industrial Land	6.70	FH	4 th August 2025	22.18	H.H Hardware Sdn. Bhd.
9	Jimah, Port Dickson, Negeri Sembilan	Industrial Land	8.99	FH	4 th November 2025	27.76	Techbond Manufacturing Sdn Bhd
10	Bandar Sri Sendayan, Seremban, Negeri Sembilan	Vacant Industrial Land	8.73	FH	24 th December 2025	24.72	Lim Chee Cheng and Lim Chee Meng

Source: Savills Research

Note: ⁽¹⁾ FH = Freehold; LH = Leasehold

PROPERTY MARKET OVERVIEW 2025

5.2.4 Rental Values

In 2025, monthly asking rental rates for detached factories in Senawang ranged from RM1.00 to RM1.40 per sq. ft., while similar units in Nilai commanded monthly rental rates of between RM1.10 and RM1.70 per sq. ft.

6.0 INDUSTRIAL MARKET OUTLOOK

Malaysia's industrial market outlook remains cautiously optimistic. Continued foreign direct investment, ongoing industrial upgrading, and sustained infrastructure development are expected to underpin demand, although growth momentum may be moderated by global economic uncertainties and cost-related pressures. Nevertheless, Malaysia's strategic location, established manufacturing base, and enhanced logistics and connectivity network continue to support favourable medium-term prospects for the industrial sector.

Technological advancement remains a key structural growth driver. Investments in hyperscale and AI-ready data centres are expected to accelerate the adoption of Industry 4.0 technologies, particularly among small and medium enterprises (SMEs), by lowering entry barriers related to cost and technical capability. These facilities are expected to support increased adoption of AI-enabled, data-driven manufacturing processes, thereby improving productivity and operational efficiency across the sector.

Policy support is also expected to remain supportive. Budget 2026 emphasises industrial transformation and high-value manufacturing, with targeted funding and incentives for sectors such as semiconductors, advanced manufacturing, digital technologies, and pharmaceuticals. Key measures include the National Industry Master Plan (NIMP) Industry Development Fund, initiatives to strengthen the semiconductor ecosystem, support for automation and venture capital, and programmes aimed at workforce upskilling, which are expected to provide a supportive backdrop for industrial market expansion.

OFFICE MARKET

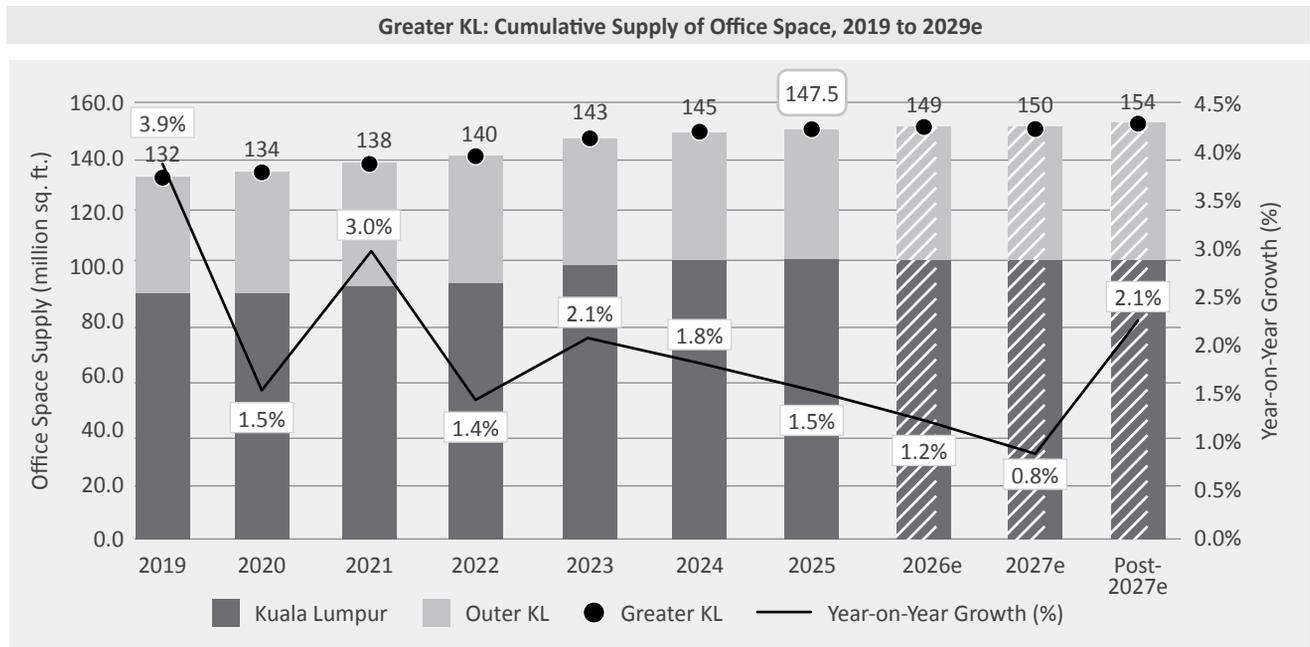
7.0 GREATER KUALA LUMPUR

7.1 Supply: Existing and Future

In 2025, Greater KL's cumulative office supply increased to 147.5 million sq. ft., following the completion of approximately 2.6 million sq. ft. of new office space. This represented an annual growth rate of 1.5%, up from 145.3 million sq. ft. in 2024. The Outer KL region accounted for the largest share of new supply, with three developments totalling approximately 1.3 million sq. ft., bringing its cumulative office stock to 48.1 million sq. ft., equivalent to 32.6% of Greater KL's total office supply.

Notable office completions in 2025 included Exchange TRX Office (0.2 million sq. ft.) in Tun Razak Exchange, Menara Alliance Bank (0.3 million sq. ft.) along Jalan Ampang, Menara TNB (0.5 million sq. ft.) in Bangsar, and Sunway Square Corporate Towers 1 and 2 (1.0 million sq. ft.) at Sunway City. These developments generally feature green building certifications and modern building specifications, with selected properties benefiting from public transport connectivity and integrated on-site amenities, in line with prevailing corporate occupancy requirements. Environmental, Social, and Governance (ESG) considerations continue to influence occupier decision-making and workspace preferences.

PROPERTY MARKET OVERVIEW 2025



Looking ahead, approximately 6.0 million sq. ft. of additional office space is expected to be completed in Greater KL between 2026 and 2029. By 2029, cumulative office supply is projected to reach 153.5 million sq. ft., representing a compound annual growth rate (CAGR) of approximately 1.3% from 2025, indicating a moderate pace of supply growth.

The Outer KL region is expected to contribute around 2.1 million sq. ft. of future supply, accounting for 35.6% of Greater KL's development pipeline, while the remaining 3.9 million sq. ft. (64.4%) is anticipated to be located within Kuala Lumpur.

Notable upcoming office developments in Greater KL include Midtown Signature Office Towers (0.4 million sq. ft.) at KL Metropolis and The Capitol Twin Office Towers (1.2 million sq. ft.) at Bandar Utama, both expected to be completed by 2026. Other planned completions include Corporate Tower 10 (0.2 million sq. ft.) at Pavilion Damansara Heights in 2027, Duo Towers (1.1 million sq. ft.) at Bangsar South in 2028, and Menara Ethos (0.8 million sq. ft.), a Grade A office development at Tun Razak Exchange, scheduled for completion in 2029.

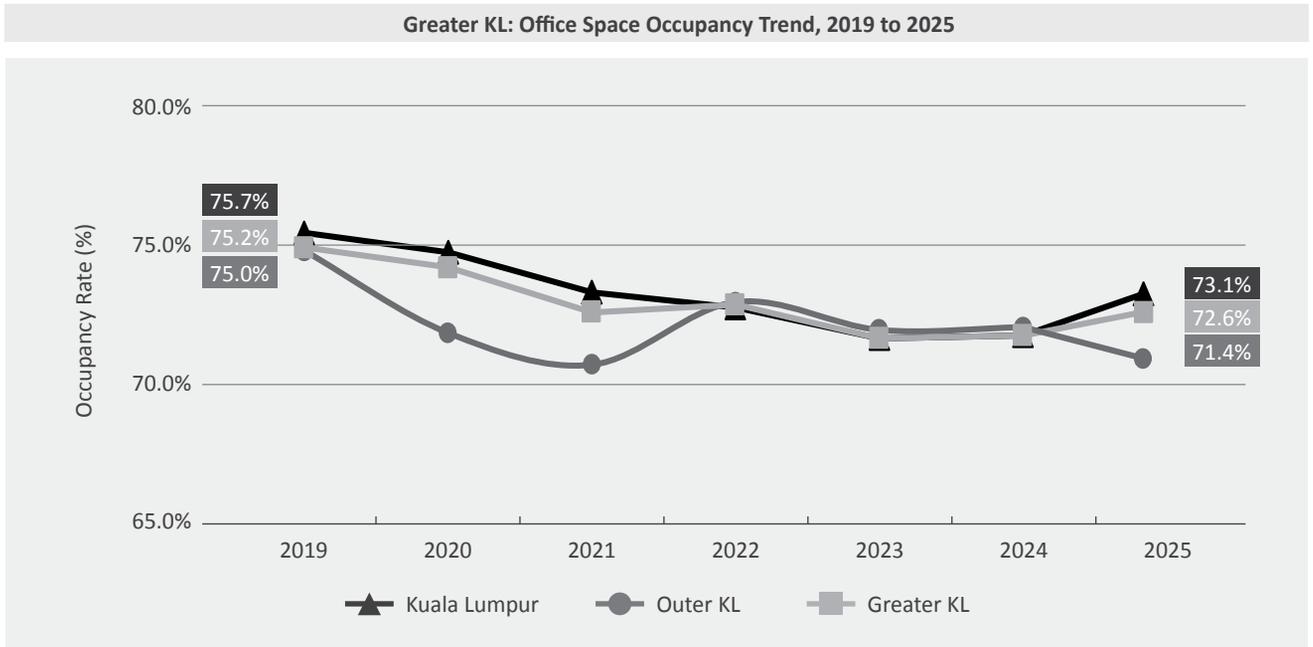
7.2 Occupancy Rates

Office space demand in Greater KL continued to expand in 2025, supporting stable occupancy levels despite the completion of approximately 2.6 million sq. ft. of new office supply. The overall occupancy rate increased to 72.6% in 2025, up from 72.0% in 2024, reflecting resilient tenant demand. Demand was primarily concentrated in Grade A office buildings, while the ongoing addition of new Grade A stock has improved the overall quality of office space in the market.

Among the new office completions in 2025, several developments were owner-occupied, reflecting a trend of corporates acquiring or developing purpose-built headquarters. Notable examples include Menara TNB in Bangsar (Tenaga Nasional Berhad), Menara Chin Hin at 8th & Stellar (Chin Hin Group), and Menara Alliance Bank at Oxley Towers (Alliance Bank Berhad).

Other newly completed developments recorded leasing activity for both expansion and relocation requirements. Leasing interest was observed at Sunway Square Corporate Towers, particularly from coworking operators seeking expansion and from occupiers in the engineering, oil and gas, and information technology sectors undertaking flight-to-quality relocations. Overall, 2025 continued to reflect a flight-to-quality trend, with newer and higher-specification buildings accounting for the majority of take-up. Increasing emphasis on wellness features and Environmental, Social, and Governance (ESG) considerations further influenced occupier decision-making.

PROPERTY MARKET OVERVIEW 2025

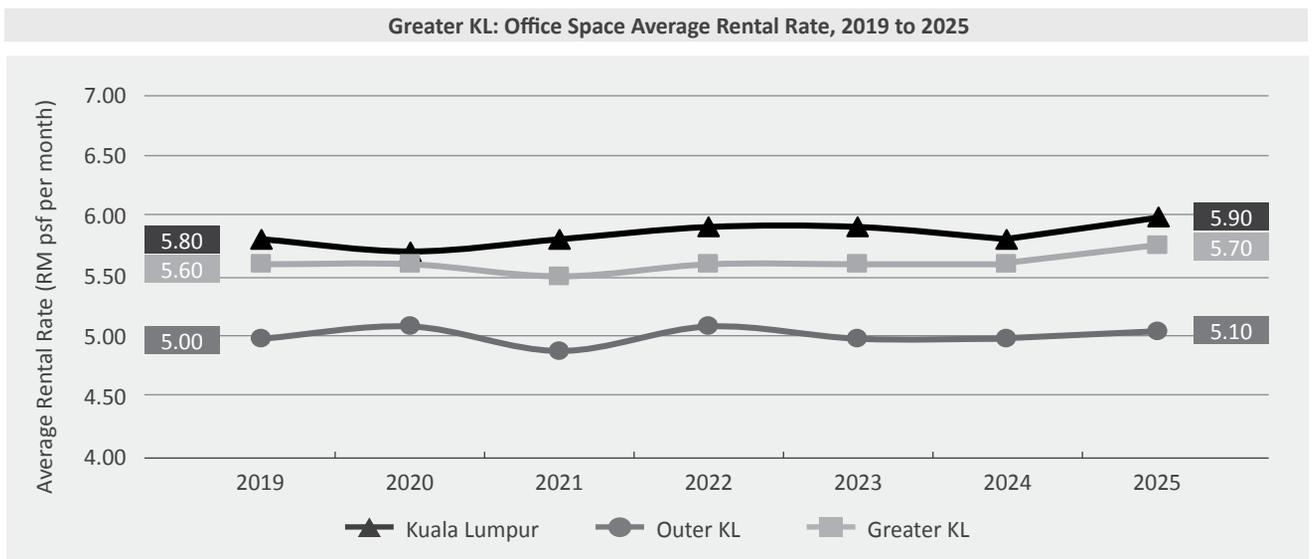


Source: Savills Research

7.3 Rental Rates

In 2025, the Greater KL office market recorded generally stable asking rental levels, with only marginal year-on-year increases. Average asking rents in Greater KL stood at RM5.70 per sq. ft., up 1.8% from RM5.60 per sq. ft. in 2024. Both sub-markets recorded similar trends. Outer KL averaged RM5.10 per sq. ft. in 2025, up 2.0% from RM5.00 per sq. ft. in the previous year, while Kuala Lumpur recorded average asking rents of RM5.90 per sq. ft., an increase of 1.7% from RM5.80 per sq. ft. in 2024.

The modest rental growth can be attributed partly to the expansion of the Sales and Services Tax (SST) to include commercial rental and leasing services, as well as the continued completion of newer office developments with modern specifications, enhanced amenities, and ESG features that command rental premiums. In contrast, older or secondary office buildings continue to face rental pressure and often rely on leasing incentives to maintain competitiveness.



Source: Savills Research

PROPERTY MARKET OVERVIEW 2025

In a competitive leasing environment, shaped by the continued delivery of new and higher-quality office buildings in Greater KL, landlords, particularly owners of older or secondary assets, continued to support occupier demand through a range of leasing incentives. These commonly included complimentary or discounted parking allocations, extended rent-free periods, capital expenditure contributions for tenant fit-outs, selective building upgrades, and efforts to obtain or enhance green building certifications.

Collectively, these measures have helped narrow the gap between headline asking rents and net effective rents, while reflecting the increasing importance of ESG considerations in occupier leasing decisions.

7.4 Capital Values

The Greater KL office investment market recorded moderate activity in 2025, with eight office assets transacted at a total consideration of RM493.0 million. Most transactions involved unrelated parties, except for one related-party transaction recorded in Q4/2025 involving two office towers located in Outer KL. Overall, investment activity was concentrated in smaller office assets, each with a net lettable area of below 0.25 million sq. ft., reflecting steady investor demand for compact, well-located office buildings.

Notable transactions included Widad Group Berhad's disposal of WIDAD Semantan in Damansara Heights, which transacted at RM784 per sq. ft. At the time of sale, the vendor occupied approximately 33% of the building's net lettable area.

In Q3/2025, Sentral REIT completed the sale of Wisma Sentral Inai at RM579 per sq. ft. The asset, which had been largely vacant prior to the disposal, was divested as part of the REIT's strategy to improve portfolio performance and unlock capital for redeployment.

The sole related-party transaction in 2025 involved UOA REIT, which acquired Towers 2A and 2B at UOA Business Park in Outer KL from its 60%-owned subsidiary, Everise Project, at RM667 per sq. ft. Each Grade A office tower has a net lettable area of approximately 0.08 million sq. ft. and recorded an average occupancy rate of 93.6% at the time of transaction.

Overall, office investment sentiment in Greater KL remained cautious, with buyers focusing on assets offering repositioning potential or value-add opportunities.

Greater KL: Major Office Transactions in 2025

Quarter/ Year	Buildings	Region	NLA (sq. ft.)	Price (RM Million)	Price (RM per sq. ft.)	Buyer
Q1/2025	Block 12, Corporate Park, Star Central	Outer KL	40,375	25.0	619	Puncak Hartanah Intelek Sdn. Bhd.
Q1/2025	MKN Embassy Techzone	Outer KL	226,632	118.5	523	Non-disclosed
Q1/2025	KSK Building	KL City	78,934	33.0	418	Non-disclosed
Q2/2025	WIDAD Semantan (WISE)	KL Suburban	52,964	41.5	784	Richfield Builder (M) Sdn. Bhd.
Q3/2025	Southbank Block 6	KL Suburban	43,475	29.5	679	Maxim Global Berhad
Q3/2025	Wisma Sentral Inai	KL City	233,021	135.0	579	Turiya Berhad
Q4/2025	Tower 2A, UOA Business Park	Outer KL	82,815	55.7	673	UOA REIT
Q4/2025	Tower 2B, UOA Business Park	Outer KL	82,815	54.8	662	UOA REIT

Source: Savills Research

PROPERTY MARKET OVERVIEW 2025

8.0 OFFICE MARKET OUTLOOK

Greater KL's office market performance in 2025 has been supported by steady leasing demand for Grade A, amenity-rich office space, reflecting occupiers' preference for modern, sustainable, and wellness-oriented workplaces. Demand is expected to remain resilient, particularly from shared services centres, technology firms, and select regional headquarters expansions, as occupiers increasingly prioritise operational efficiency, flexibility, and employee well-being. Recent office developments in Greater KL have raised the benchmark for Grade A building quality, with many incorporating energy-efficient systems and wellness-focused design features aligned with ESG standards, which continue to appeal to multinational corporations (MNCs) undertaking flight-to-quality relocations.

Future office supply in Greater KL is largely concentrated within Kuala Lumpur, particularly in the KL Suburban sub-region, while Outer KL is expected to contribute approximately one-third of the upcoming supply. This moderate pipeline is anticipated to complement demand for higher-quality office space, supporting more balanced conditions within the premium office segment. As occupiers continue to adopt space-efficient leasing strategies influenced by hybrid work practices and rightsizing initiatives, newer, well-specified buildings are expected to record stronger absorption than older or secondary assets.

As a result, the performance gap between Grade A and secondary office buildings is expected to widen. Corporate occupiers, particularly MNCs, are increasingly drawn to offices offering modern specifications, wellness features, and strong public transport connectivity, underscoring the growing importance of employee experience, sustainability, and productivity in leasing decisions. In contrast, older and secondary buildings continue to face softer demand, prompting landlords to consider refurbishment works, green building certifications, and more competitive leasing strategies to remain relevant.

At the same time, the continued adoption of hybrid work models is reinforcing demand for flexible workspace solutions. Occupiers are increasingly seeking adaptable layouts that support collaboration and mobility, moving away from traditional fixed-desk configurations. Coworking and flexible workspace operators have capitalised on this trend by offering scalable, amenity-rich environments, positioning flexible offices as an increasingly important component of corporate real estate strategies. Looking ahead, these trends are expected to continue shaping Greater KL's office market, with amenity-rich and flexible office formats becoming central to occupier expectations.

HYPERMARKET SEGMENT

9.0 JOHOR

9.1 Supply: Existing

As of Q3/2025, the cumulative hypermarket supply in Johor stood at approximately 5.3 million sq. ft., reflecting a slight contraction from the previous year following the closure of several hypermarket outlets.

Johor: Existing Supply of Hypermarkets, 2023 to Q3/2025

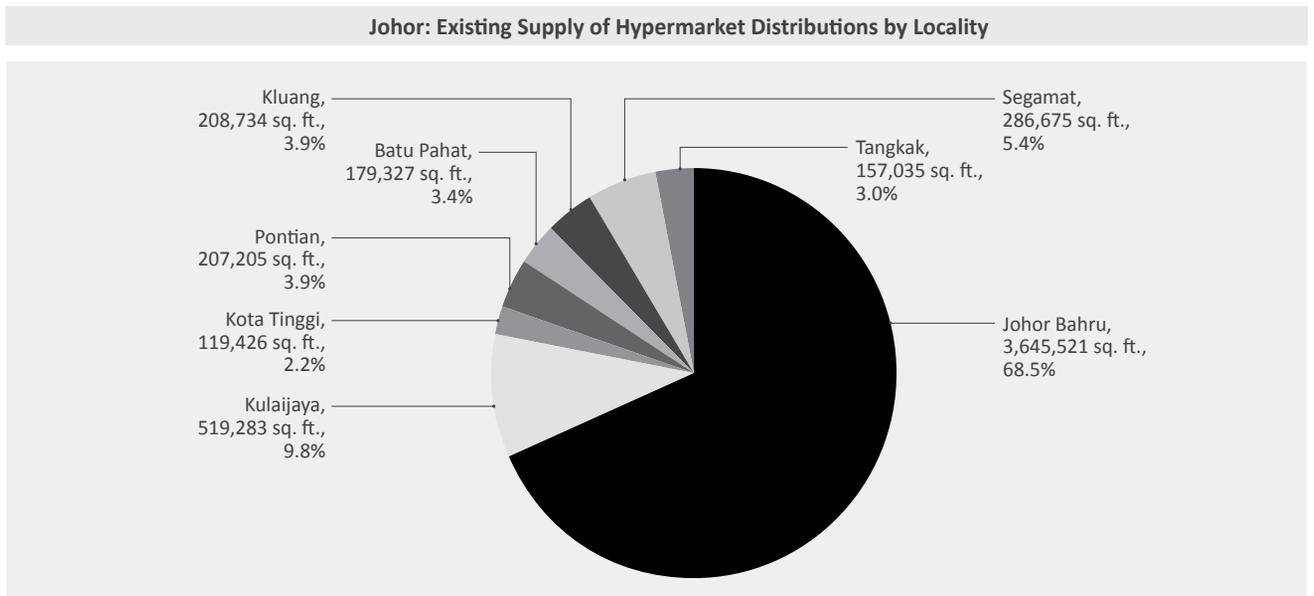
Locality	2023		2024		Q3/2025	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Johor Bahru	28	3,782,610	28	3,782,610	25	3,645,521
▶ Kulaijaya	4	519,283	4	519,283	4	519,283
▶ Kota Tinggi	2	119,426	2	119,426	2	119,426
▶ Pontian	3	263,899	3	263,899	3	207,205
▶ Batu Pahat	2	178,767	2	178,767	2	179,327
▶ Muar	0	0	0	0	0	0
▶ Kluang	4	303,758	4	303,758	3	208,734
▶ Mersing	0	0	0	0	0	0
▶ Segamat	4	276,105	4	276,105	4	286,675
▶ Tangkak	1	157,035	1	157,035	1	157,035
Total	48	5,600,882	48	5,600,882	44	5,323,206

Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2025

Hypermarket supply in Johor remained highly concentrated in Johor Bahru, with approximately 25 hypermarkets accounting for a combined net lettable area of 3.65 million sq. ft., representing 68.5% of the state's total hypermarket floor space. This was followed by Kulai (formerly Kulaijaya), which recorded four hypermarkets with a total floor space of 519,283 sq. ft., equivalent to 9.8% of the total supply.

Other localities with notable hypermarket presence included Segamat, Pontian, and Kluang, which accounted for 5.4%, 3.9%, and 3.9% of total hypermarket floor space, respectively. In more peripheral and suburban districts such as Kota Tinggi, Tangkak, and Batu Pahat, hypermarket presence remained limited, with fewer than four outlets in each locality.



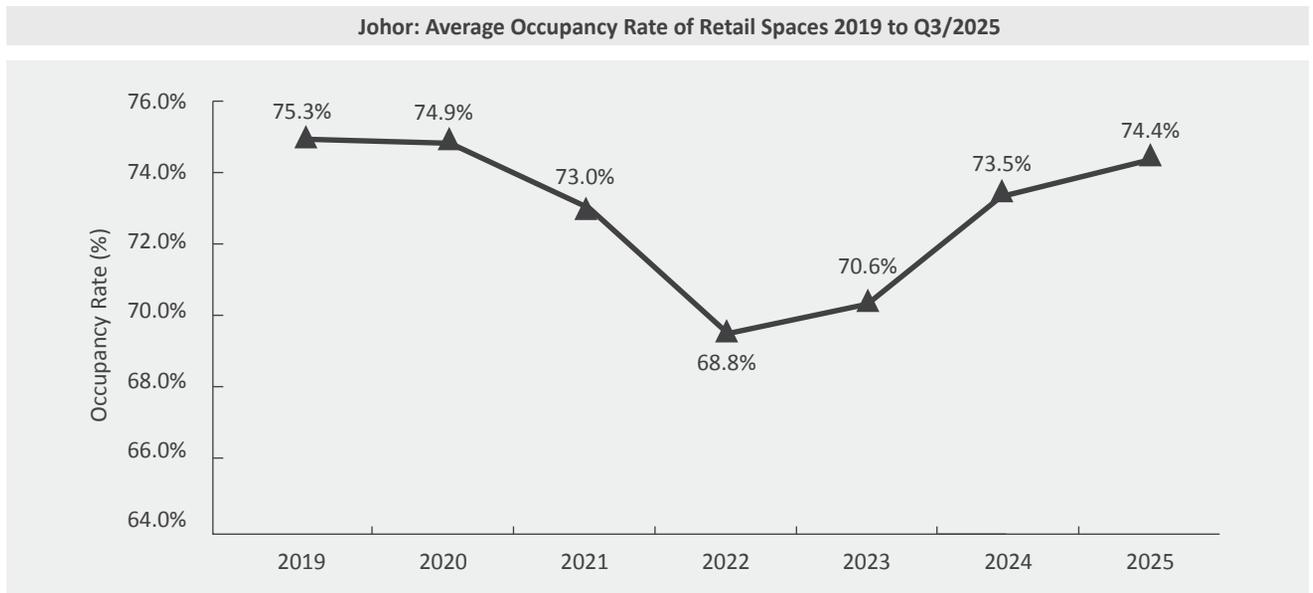
Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2025

9.2 Occupancy Rates

According to NAPIC, the average occupancy rate of shopping complexes (including shopping centres, arcades and hypermarkets) in Johor improved from 73.5% in 2024 to 74.4% as at Q3/2025. Despite the improvement, occupancy levels remain below pre-pandemic norms.

Retail demand has shown gradual strengthening, supported by stable footfall levels and ongoing tenant mix optimisation. Landlords have increasingly introduced lifestyle-oriented, food and beverage (F&B), and experiential concepts to enhance shopper appeal and support occupancy performance.



Sources: NAPIC & Savills Research

9.3 Rental Rates

Johor: Rental Rates of Selected Hypermarkets, 2024 to 1H/2025

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental (RM per sq. ft./month)	
			2024	1H/2025
▶ Central Town Prime Area				
AEON BiG	Ground	161 - 969	4.30 - 20.50	4.30 - 20.50
▶ Central Town Secondary Area				
Eonsave Taman Kota Emas	Ground	280 - 388	8.60 - 14.30	8.60 - 14.30
Pasaraya Borong NSK	Ground	205 - 2,992	3.00 - 12.00	3.00 - 12.00
	First	474 - 2,723	5.00 - 7.50	5.00 - 7.50
▶ Suburban Prime Area				
Giant Southern City	Ground	226 - 248	8.70 - 20.50	8.70 - 20.50
Giant Tampoi	Ground	108 - 807	3.50 - 34.20	3.50 - 34.20
AEON BiG	Ground	269 - 1,453	4.30 - 11.20	4.30 - 11.20

PROPERTY MARKET OVERVIEW 2025

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental (RM per sq. ft./month)	
			2024	1H/2025
► Suburban Secondary Area				
Mydin Pelangi Indah	Ground	258 - 1,496	3.90 - 15.90	3.90 - 15.90
	First	463 - 3,111	4.80 - 17.30	4.80 - 17.30
Lotus's Eco Tropic	Ground	183 - 6,254	2.20 - 18.00	2.20 - 18.00
Lotus's Desa Tebrau	Ground	118 - 1,905	2.40 - 23.90	2.40 - 23.90
	First	108 - 13,100	1.60 - 32.60	1.60 - 32.60
Lotus's Mutiara Rini	Ground	151 - 2,379	2.70 - 32.80	2.70 - 32.80
Lotus's Seri Alam	Ground	129 - 2,368	2.00 - 28.00	2.00 - 28.00
Lotus's Extra Plentong	Ground	334 - 1,195	2.60 - 5.40	2.60 - 5.40
	First	366 - 1,378	2.80 - 9.20	2.80 - 9.20
Lotus's Bukit Indah	Ground	108 - 1,959	4.70 - 15.50	4.70 - 15.50
	First	538 - 13,067	2.00 - 8.60	2.00 - 8.60
Lotus's Setia Tropika	Ground	194 - 1,292	1.80 - 21.80	1.80 - 21.80
Giant Plentong	Ground	140 - 2,454	7.80 - 53.90	7.80 - 53.90
	First	161 - 3,531	2.00 - 21.70	2.00 - 21.70
Lotus's Kulai	Mezzanine	97 - 2,153	3.10 - 28.85	3.10 - 28.85
	First	409 - 667	4.80 - 7.40	4.80 - 7.40
Econsave Taman Daiman Jaya	Ground	140 - 258	8.50 - 15.50	8.50 - 15.50
Lotus's Parit Raja	First	269 - 1,507	2.90 - 12.60	2.90 - 12.60

Source: NAPIC & Savills Research

Among suburban secondary locations, Giant Plentong recorded the highest monthly rental rate, at RM53.90 per sq. ft., reflecting its smaller average unit sizes. In comparison, Giant Tampoi and Giant Southern City, both located within prime suburban areas, commanded lower monthly rental rates of RM34.20 per sq. ft. and RM20.50 per sq. ft., respectively.

As of H1/2025, ground-floor rental rates at AEON BiG, located in prime central town areas, ranged from RM4.30 to RM11.20 per sq. ft. per month. In central town secondary locations, Econsave recorded the highest rental rate at RM14.30 per sq. ft., while Pasaraya Borong NSK recorded the lowest at RM8.00 per sq. ft..

Overall, hypermarket rental rates remained stable between 2024 and H1 2025, with no observable rental growth.

9.4 Hypermarket Transactions

Johor: Hypermarket Transactions, 2019 to 2025

Year	Hypermarkets	NLA (sq. ft.)	Price	Price (RM per sq. ft.)	Buyer
2019	Mydin Mall	260,000	RM60 mil	RM230	Mydin Mohamed Holdings Bhd
2022	Econsave Hypermarket Taman Scientex	150,000	RM25 mil	RM166	Getro Sdn Bhd
2024	Giant Hypermarket Plentong	726,000	RM140 mil	RM192	Sunway REIT

Source: Savills Research

As of Q3/2025, there were no recorded transactions involving retail hypermarkets in Johor, based on the latest available transaction data. The most recent notable transaction was the sale of Giant Hypermarket Plentong, which transacted at approximately RM192 per sq. ft., based on a net lettable area of 726,000 sq. ft..

PROPERTY MARKET OVERVIEW 2025

10.0 PAHANG

10.1 Supply: Existing

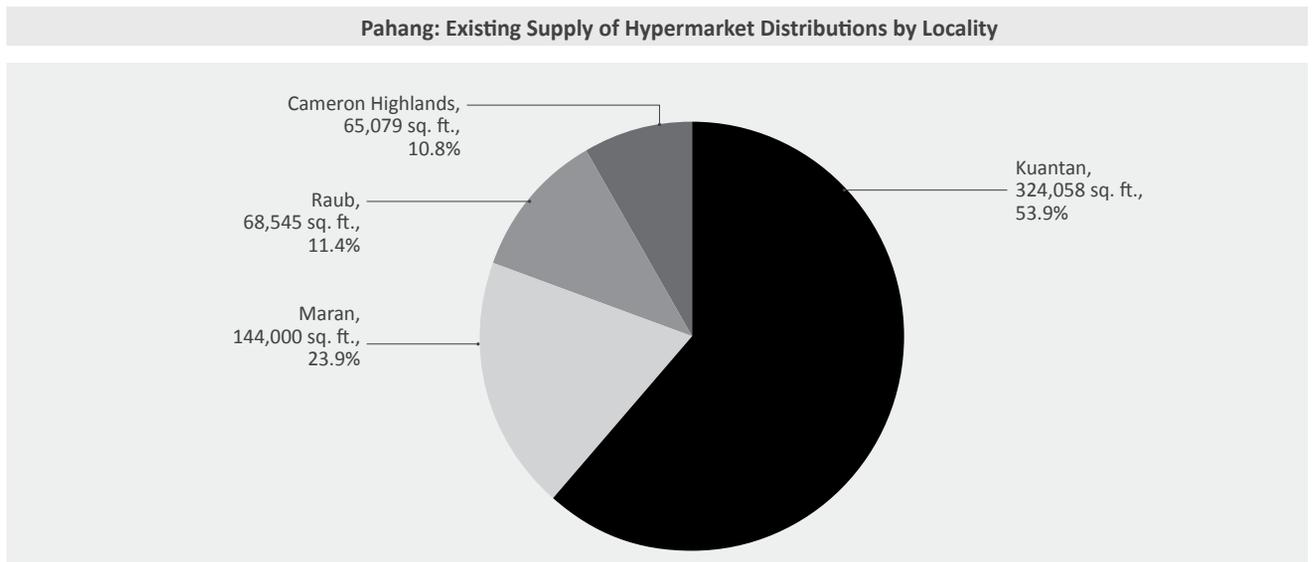
As of Q3/2025, the cumulative hypermarket space supply in Pahang was 601,681 sq. ft. However, the total supply decreased in Q3/2025 following the closure of a hypermarket in Kuantan.

Pahang: Existing Supply of Hypermarkets, 2023 to Q3/2025

Locality	2023		2024		Q3/2025	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Kuantan	6	489,543	6	489,543	5	324,058
▶ Maran	2	151,771	2	151,771	2	144,000
▶ Raub	1	87,629	1	87,629	1	68,545
▶ Cameron Highlands	1	65,079	1	65,079	1	65,079
Total	10	794,022	10	794,022	9	601,681

Source: NAPIC & Savills Research

In terms of geographical distribution, Kuantan has the highest supply of hypermarket space, accounting for 53.9% of total supply, with five hypermarkets offering a combined net lettable area of 324,058 sq. ft., followed by Maran (23.9%, 144,000 sq. ft.), Raub (11.4%, 68,545 sq. ft.) and Cameron Highlands (10.8%, 65,079 sq. ft.).

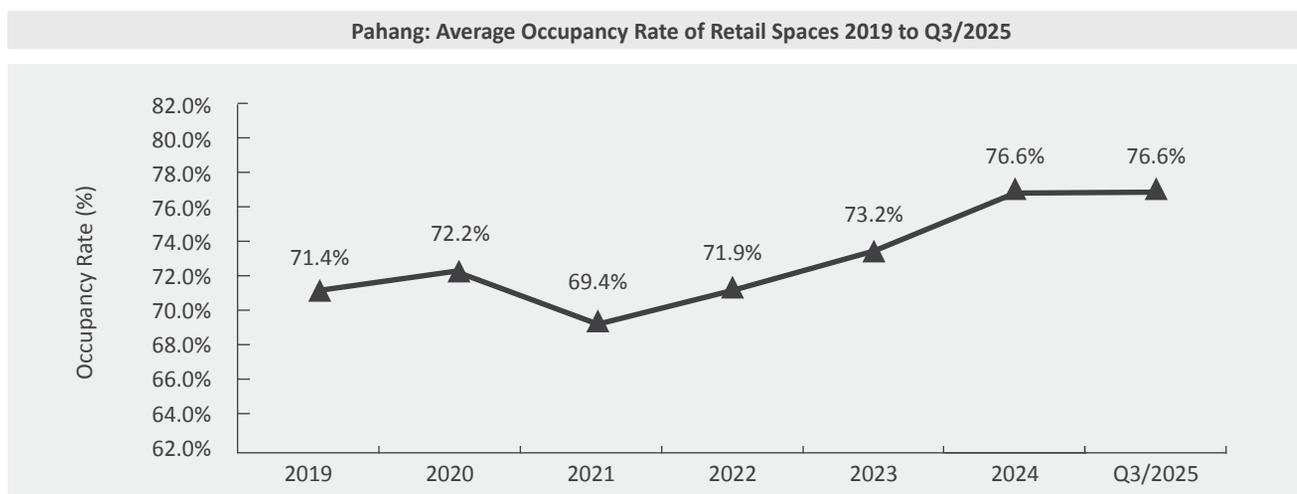


Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2025

10.2 Occupancy Rates

As of Q3/2025, the average occupancy rate of the shopping complex in Pahang (inclusive of shopping centres, arcades and hypermarkets) stands at 76.6%, unchanged from 2024. Occupancy rates increased steadily from 2019 to 2020, declined in 2021 due to the pandemic, and have recovered gradually from 2022 to 2023, reaching their peak in 2024 and remaining stable at 76.6% in Q3/2025.



Source: NAPIC & Savills Research

10.3 Rental Rates

Selected hypermarkets in the prime area of Pahang have rental rates ranging from RM0.70 per sq. ft. to RM40.00 per sq. ft. per month.

Located in Kuantan, ground-floor units in the Berjaya Megamall hypermarket are available at a minimum rental rate of RM3.00 per sq. ft., up to RM14.00 per sq. ft. per month. Ground-floor rental rates at Kuantan Parade hypermarket ranged from RM 1.70 per sq. ft. to RM 32.30 per sq. ft. per month; East Coast Mall, located in a more mature area with residential neighbourhoods, demands a higher rental rate.

Pahang: Rental Rates of Selected Hypermarkets, 2024 to 1H/2025

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2024	1H/2025
▶ Kuantan				
Kompleks Teruntum	Ground	301 - 4,327	1.40 - 4.40	1.40 - 4.40
	First	312 - 527	1.20 - 2.00	1.20 - 2.00
	Second	215 - 2,336	1.00 - 2.00	1.00 - 2.00
Berjaya Megamall	Ground	269 - 2,895	3.00 - 14.00	3.00 - 14.00
	First	614 - 10,473	2.20 - 3.40	2.20 - 3.40
	Second	872 - 7,029	1.00 - 4.40	1.00 - 4.40
Kuantan Parade	Ground	301 - 6,641	1.70 - 32.30	1.70 - 32.30
	First	237 - 807	0.70 - 4.10	0.70 - 4.10
	Second	797	1.30	1.30

PROPERTY MARKET OVERVIEW 2025

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2024	1H/2025
▶ Kuantan				
East Coast Mall	Ground	334 - 3,531	7.00 - 38.10	7.00 - 38.10
	First	431 - 5,210	3.70 - 33.80	3.70 - 33.80
	Second	431 - 3,649	4.80 - 40.00	4.80 - 40.00
	Third	323 - 7,556	3.50 - 20.00	3.50 - 29.20
Plaza Gambut (MARA)	First	248 - 388	1.70	1.70
▶ Cameron Highlands				
Cameron Fair	Ground	161 - 1,012	8.50 - 10.50	8.50 - 10.50
	First	140 - 840	5.40 - 6.40	5.40 - 6.40
	Second	2,530 - 9,709	1.10 - 1.80	1.10 - 1.80
Cameron Square	Basement	570 - 1,711	8.00	8.00
	Ground	226 - 2,260	12.30	12.30
	First	570 - 3,832	8.00	8.00

Source: NAPIC & Savills Research

11.0 KEDAH

11.1 Supply: Existing

As at Q3/2025, the cumulative hypermarket supply in Kedah stood at approximately 1.64 million sq. ft.. Supply increased during 2025 following the opening of five new hypermarkets, indicating renewed activity and continued operator participation in the segment.

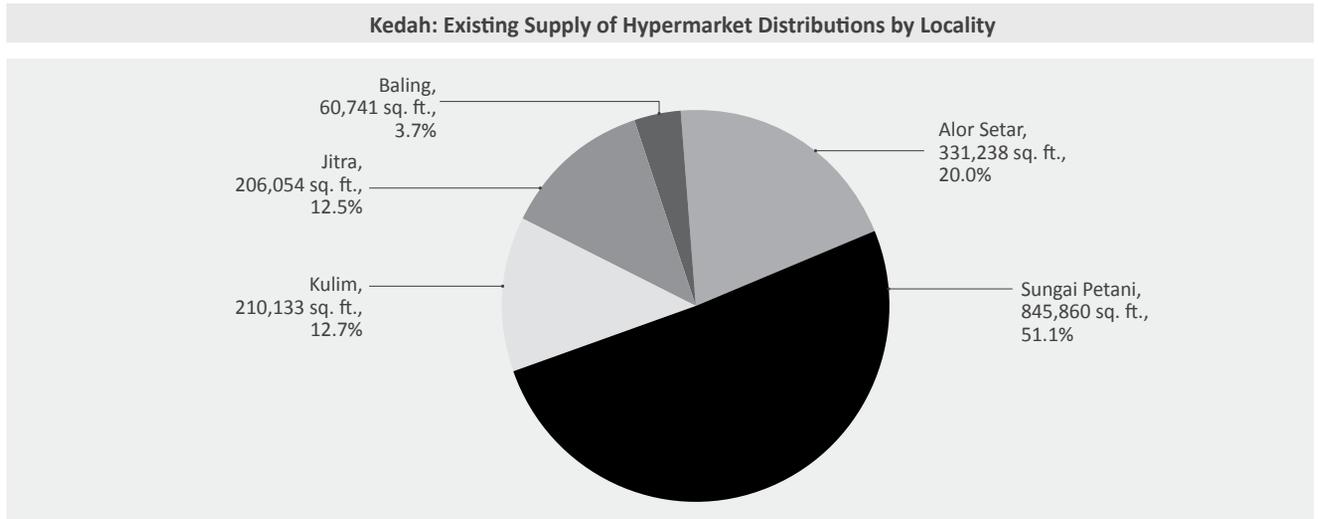
Kedah: Existing Supply of Hypermarkets, 2023 to Q3/2025

Locality	2023		2024		Q3/2025	
	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)	No. of Properties	Estimated NLA (sq. ft.)
▶ Alor Setar	3	272,564	3	271,703	4	331,238
▶ Sungai Petani	7	845,860	7	845,860	7	845,860
▶ Jitra	1	54,896	1	54,896	3	206,054
▶ Kulim	-	-	-	-	1	210,133
▶ Baling	-	-	-	-	1	60,741
Total	11	1,173,320	11	1,172,459	16	1,654,025

Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2025

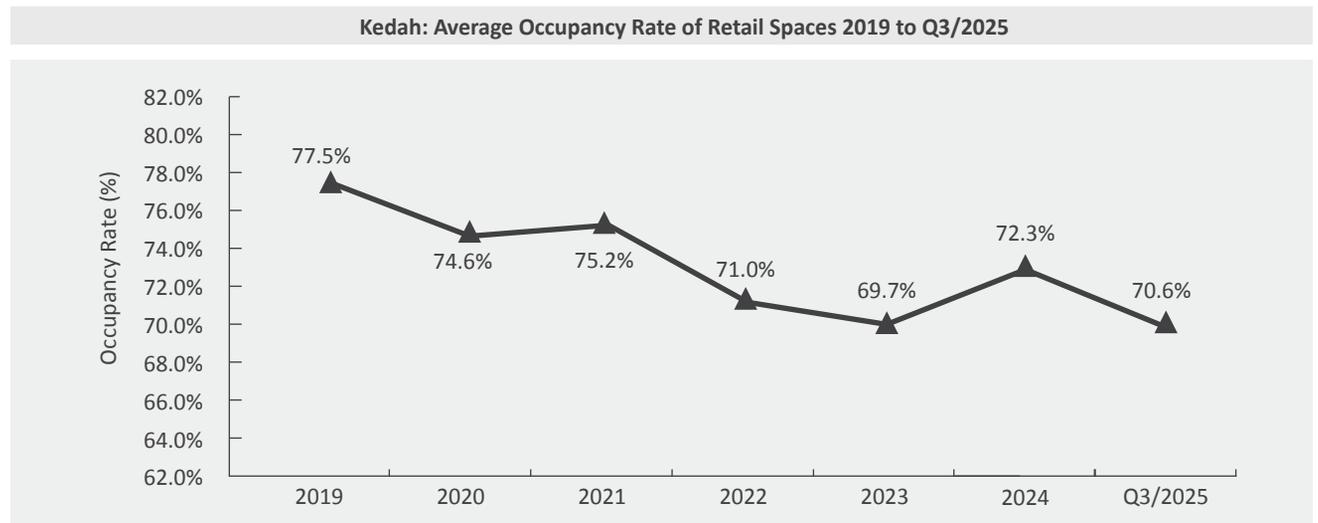
In terms of geographical distribution, Sungai Petani accounted for the largest share of hypermarket floor space, totalling 845,860 sq. ft. (51.1%), followed by Alor Setar with 331,238 sq. ft. (20.0%) and Jitra with 206,054 sq. ft. (12.5%). Kulim and Baling recorded their first hypermarket openings in 2025, contributing 210,133 sq. ft. (12.7%) and 60,741 sq. ft. (3.7%), respectively.



Source: NAPIC & Savills Research

11.2 Occupancy Rates

As of Q3/2025, the average occupancy rate of shopping complexes in Kedah, including shopping centres, arcades, and hypermarkets, stood at 70.6%, representing a decline from 2024. Despite a temporary improvement recorded in 2024, the overall trend since 2019 indicates a gradual softening in occupancy levels.



Source: NAPIC & Savills Research

PROPERTY MARKET OVERVIEW 2025

11.3 Rental Rates

In H1/2025, monthly rental rates for selected hypermarkets in prime locations across Kedah generally ranged from RM0.80 to RM21.00 per sq. ft..

In Kota Setar, ground-floor units at Mydin hypermarkets recorded monthly rental rates of RM7.00 to RM20.00 per sq. ft.. Meanwhile, Lotus's hypermarkets recorded ground floor rental rates of between RM1.60 and RM16.00 per sq. ft. per month, with Lotus's Mergong, located within a more mature residential catchment, achieving higher rental levels compared with Lotus's Stargate.

Kedah: Rental Rates of Selected Hypermarkets, 2024 to 1H/2025

Hypermarket	Floor/Level	Average Floor Area (sq. ft.)	Rental Range (RM per sq. ft./month)	
			2023	1H/2024
► Kota Setar				
Mydin	Ground	182 - 430	7.00 - 20.00	7.00 - 20.00
Lotus's Mergong	Ground	226 - 2,153	3.40 - 14.00	3.40 - 14.00
	First	377 - 969	8.40 - 16.00	8.40 - 16.00
Lotus's Stargate	Ground	377 - 16,038	1.60 - 11.80	1.60 - 11.80
► Kubang Pasu				
Lotus's Jitra	Ground	215 - 2,260	0.80 - 21.00	0.80 - 21.00

Source: NAPIC & Savills Research

12.0 HYPERMARKET MARKET OUTLOOK

According to the Department of Statistics Malaysia (DOSM), total retail sales for the first nine months of 2025 amounted to RM603.3 billion, representing a 6.0% year-on-year increase. Retail activity strengthened in the second half of 2025, reflecting relatively resilient consumer spending. Inflation remained moderate at 1.37%, easing cost-of-living pressures and supporting household consumption. Government support measures, including the one-off RM100 Sumbangan Asas Rahmah (SARA) credit extended to approximately 22 million recipients, alongside Bank Negara Malaysia's policy rate reduction to 2.75%, have contributed to stabilising consumer sentiment. These factors underpin Retail Group Malaysia's (RGM) forecast of 5.0% growth in retail sales in Q4/2025.

In contrast to overall retail growth, the supermarket and hypermarket sub-sector recorded a 5.1% year-on-year contraction in Q3/2025. RGM subsequently revised its outlook, projecting a 2.7% decline in the sub-sector in Q4/2025, indicating that the hypermarket segment continues to operate in a challenging, competitive environment amid structural shifts in Malaysia's retail landscape.

Despite these headwinds, hypermarket operators demonstrated relative resilience in 2025, notwithstanding rising operating costs. Cost pressures stemmed from the phased increase in the minimum wage to RM1,700, the implementation of mandatory 2% EPF contributions for foreign workers from October 2025, and a 13.6% increase in non-domestic electricity tariffs under Tenaga Nasional Berhad's RP4 framework. These measures raised payroll and utility expenses, particularly for energy-intensive retail formats. Nevertheless, the essential nature of hypermarket retailing, supported by economies of scale, pricing power, and operational efficiencies, enabled operators to maintain operations under a tighter cost environment.

Evolving consumer behaviour has accelerated a shift towards experience- and convenience-led retailing, with shoppers increasingly valuing the overall shopping experience alongside price and product range. In response, hypermarket operators have continued to reconfigure store layouts to create more engaging and customer-centric environments. Convenience-oriented initiatives such as click-and-collect services and on-demand delivery options have gained traction, helping consumers save time and contributing to incremental basket sizes. Wider adoption of in-store technologies, including smart trolley solutions introduced by operators such as Jaya Grocer and AEON, has further enhanced operational efficiency and the customer experience. Reflecting this evolution, AEON is scheduled to launch a new AEON Style supermarket concept in Q4/2025, focusing on a streamlined layout, curated product offerings, and improved shopping efficiency.

PROPERTY MARKET OVERVIEW 2025

On the supply side, retail supply declined marginally year-on-year following the closure of several hypermarket outlets in Johor. However, this contraction is expected to be partially offset by improving cross-border connectivity and major economic initiatives. The upcoming Johor–Singapore Rapid Transit System (RTS) Link is anticipated to enhance accessibility for both visitors and workers, supporting higher footfall and retail activity. In parallel, developments such as the JS-SEZ and the Forest City Special Financial Zone (SFZ) are expected to continue attracting investment, tourists, and new residents, thereby expanding the consumer base and supporting longer-term retail demand.

On the demand side, Pahang’s retail market is expected to remain stable, supported by domestic consumption and a recovering tourism sector, as seen in the 12.43% increase in tourist arrivals in 2025. The upcoming East Coast Rail Link (ECRL), with Phase 1 from Kota Bharu to Gombak scheduled to be operational by 2027, will enhance regional connectivity, making Pahang more accessible, stimulating economic activity, and supporting sustained footfall and longer-term retail demand.

In the northern region of Peninsular Malaysia, Kedah recorded a more positive trajectory in hypermarket performance. The state saw the opening of five new hypermarkets in 2025, adding a combined 481,566 sq. ft. of net lettable area. This expansion has been supported by robust economic activity, with RM9.11 billion in realised investments recorded by end-May 2025, generating nearly 2,000 new jobs. The resulting growth in employment and workforce inflows has supported household income levels and consumer spending, underpinning demand for large-format retail in the state.

ESG

PERFORMANCE DATA

Economic Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Tenant Satisfaction			
Overall 'Hello Axis' Tenant Satisfaction Ratings	4.27	4.25	4.31
<i>'Hello Axis' Tenant Satisfaction Ratings by Building Type</i>			
Multi-tenant	3.67	4.25	4.50
Single-tenant	4.87	4.24	4.12
Annual Tenant Satisfaction Survey Score	7.62	7.62	7.61
Occupancy Rate (%)	94	95	97
Quality Assets & Services - New Acquisition			
Number of Acquisitions and Developments	1 [#]	9	1
Responsible Supply Chain			
Local Suppliers			
Total Procurement Spent on Local Suppliers (RM million)	38.7	72.7	196.2
Percentage Spent on Local Suppliers (%)	100	100	100
Supplier Training			
Total Number of Training Programmes Offered to Suppliers	28	32	48
Total Number of Attendees	695	592	884

Environmental Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Total Common Areas (sq. ft.)	1,011,113.07	1,016,319.00	1,010,359.00
Energy & Carbon Footprint			
Energy Consumption			
Total Energy Consumption (MJ)	14,454,470.12 [#]	13,754,201.87	13,924,606.96
Fuel Consumption – Genset (MJ)	60,716.43 [#]	42,048.84	47,099.19
Fuel Consumption – Company Vehicle (MJ)	322,032.29 [#]	376,122.23	360,789.37
Purchased Electricity (MJ)	14,071,721.40 [#]	13,336,030.80	13,516,718.40
Building Energy Intensity (MJ/sq. ft.)	13.98 [#]	13.16	13.42
GHG Emissions			
Total GHG Emissions - Scope 1 and 2 (tCO ₂ eq)	2,919.92	2,771.15 [*]	2,882.67 [*]
Scope 1 Emissions (tCO ₂ eq)	27.40 [#]	29.86	29.14
Scope 2 Emissions (tCO ₂ eq)	2,892.52 [#]	2,741.30 [*]	2,853.53 [*]
Building GHG Emissions Intensity (tCO ₂ eq/sq. ft.)	0.00287 [#]	0.00270 [*]	0.00283 [*]
Scope 3 GHG Emission (tCO ₂ eq)			
Category 3: Fuel & Energy-related Activities	1,236.69	1,172.97	1,188.60
Petrol	5.42	6.32	6.07
Diesel	0.99	0.69	0.77
Grid Electricity	1,230.28	1,165.96	1,181.76
Category 6: Business Travel	7.37	14.60	18.66
Category 7: Employee Commuting	179.48	167.08	193.57

Notes:

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

^{*} Data for Scope 2 GHG emissions and total building GHG emissions intensity for 2023 and 2024 were restated according to the latest provisional grid emission factor (GEF) published by the Energy Commission (EC).

ESG

PERFORMANCE DATA

Environmental Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
<i>Category 13: Downstream Leased Assets</i>	261,554.51	-	-
<i>Office/Industrial</i>	20,669.64	-	-
<i>Manufacturing Facility</i>	210,948.16	-	-
<i>Logistics Warehouse</i>	23,979.32	-	-
<i>Hypermarket</i>	5,957.39	-	-
Water Management			
<i>Total Water Consumption (m³)</i>	108,995 [#]	106,710	103,728
<i>Water Intensity (m³/sq. ft.)</i>	0.108 [#]	0.105	0.103
Waste Management			
Total Waste Disposed to Landfill (kg)	1,066,367	1,125,887	1,183,547
Total Waste Diverted from Disposal (kg)	49,630	44,920	42,710
<i>Paper</i>	28,730	25,050	24,090
<i>Glass/Metal/Aluminium</i>	9,580	8,990	8,795
<i>Plastic</i>	7,720	6,710	5,930
<i>E-waste</i>	3,600	4,170	3,895
Recycling Rate (%)	4.45	3.8	3.5
Total Construction Waste Reused and Recycled (kg)	N/A	N/A	88,150

Social Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Occupational Health and Safety			
Workplace Injury Cases			
<i>Fatalities</i>	0 [#]	0	0
<i>Lost Time Injury</i>	0 [#]	2	0
<i>Restricted Work Cases/Medical Treatment</i>	0 [#]	0	0
<i>First Aid</i>	0 [#]	0	0
<i>Lost Time Incident Rate</i>	0 [#]	2.45	0
Workplace Non-injury Cases			
<i>Fire/Explosion</i>	0 [#]	2	0
<i>Property/Equipment Damage</i>	0 [#]	0	0
<i>Environmental Pollution</i>	0 [#]	0	0
<i>Summons Received</i>	0 [#]	0	0
Non-compliance incidents/fines			
<i>Non-compliance with HSE Policy</i>	0 [#]	0	0
<i>Non-compliance with applicable laws and regulations</i>	0 [#]	0	0
<i>Amount in fines incurred for regulatory non-compliance (RM)</i>	0 [#]	0	0
Absentee Rate by Gender (%)			
<i>Female</i>	1.08 [#]	1.04	1.20
<i>Male</i>	1.09 [#]	1.64	1.12
Safe Days During the Year	365 [#]	364	365

Notes:

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

ESG PERFORMANCE DATA

Social Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Talent Development			
Total Training Hours	1,872.5	891.0	957.5
Total Training Hours by Gender			
<i>Female</i>	443.5	414.5	519.5
<i>Male</i>	1,429.0	476.5	438.0
Total Training Hours by Employee Category			
<i>Senior Management</i>	247.2	292.5	440.5
<i>Middle Management</i>	189.2	197.0	135.0
<i>Executive</i>	928.0	335.5	257.0
<i>Non-Executive</i>	508.1	66.0	125.0
Average Training Hours per Employee	23.1	11.4	12.0
Average Training Hours by Gender			
<i>Female</i>	14.3	14.3	16.8
<i>Male</i>	28.6	9.7	8.9
Average Training Hours by Employee Category			
<i>Senior Management</i>	24.7	29.3	40.0
<i>Middle Management</i>	23.7	24.6	16.9
<i>Executive</i>	23.2	8.6	6.4
<i>Non-Executive</i>	22.1	3.1	6.0
Employees Receiving Performance and Career Development Reviews by Gender (%)			
<i>Female</i>	100	100	100
<i>Male</i>	100	100	100
Diversity & Inclusion			
Gender Composition by Employee Categories (%)			
<i>Senior Management</i>			
<i>Female</i>	10	10	10
<i>Male</i>	2	3	4
<i>Middle Management</i>			
<i>Female</i>	4	4	4
<i>Male</i>	6	6	6
<i>Executive</i>			
<i>Female</i>	21	19	21
<i>Male</i>	28	31	29
<i>Non-Executive</i>			
<i>Female</i>	4	4	4
<i>Male</i>	25	23	22

ESG

PERFORMANCE DATA

Social Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Diversity & Inclusion			
Age Group Composition by Employee Categories (%)			
<i>Senior Management</i>			
≤30	0	0	0
30-50	6	8	8
≥50	6	5	6
<i>Middle Management</i>			
≤30	0	0	0
30-50	7	8	8
≥50	3	3	2
<i>Executive</i>			
≤30	4	6	8
30-50	35	32	30
≥50	11	11	12
<i>Non-Executive</i>			
≤30	1	1	2
30-50	20	17	16
≥50	7	9	8
Percentage of Employees Who Are Contractors or Temporary Employees (%)	12	14	13
Total Number of New Hires by Employee Category			
<i>Senior Management</i>	0	0	0
<i>Middle Management</i>	1	0	0
<i>Executive</i>	4	2	4
<i>Non-Executive</i>	3	0	0
New Hires by Gender (%)			
<i>Female</i>	5.0	0	0
<i>Male</i>	5.0	2.5	5.1
New Hires by Age Group (%)			
≤30	3.8	1.3	2.5
30-50	6.3	1.3	2.5
≥50	0	0	0
Total Number of Employee Turnover by Employee Category			
<i>Senior Management</i>	2	1	0
<i>Middle Management</i>	0	0	1
<i>Executive</i>	1	3	1
<i>Non-Executive</i>	2	0	0
Turnover Rate by Gender (%)			
<i>Female</i>	2.5	2.5	1.3
<i>Male</i>	3.8	2.5	1.3

ESG PERFORMANCE DATA

Social Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Diversity & Inclusion			
Turnover Rate by Age Group (%)			
≤30	1.3	1.3	0
30-50	1.3	1.3	0
≥50	3.7	2.5	2.5
Total Number of Parental Leaves Taken by Gender			
Female	1	2	0
Male	1	2	1
Ratio of Basic Salary and Remuneration of Male to Female Employee by Employee Category			
Senior Management	1.0 : 1.7	1.0 : 1.3	1.0 : 1.1
Middle Management	1.0 : 1.1	1.0 : 1.1	1.0 : 1.1
Executive	1.0 : 0.8	1.0 : 0.9	1.0 : 0.8
Non-Executive	1.0 : 0.7	1.0 : 0.6	1.0 : 0.6
Human Rights & Labour Practices			
Number of substantiated complaints concerning human rights violations	0	0	0
Community Activity & Partnership			
Community Investment (RM'000)	184 [#]	201	181
Total number of beneficiaries of the investment in communities	3,203 [#]	978	85

Governance Performance Data

Performance Indicators	FYE2025	FYE2024	FYE2023
Business Ethics			
Number of Compliance Breaches or Misconduct	0	0	0
Number of Whistleblowing Reports or Complaints Received	0	0	0
Percentage of Operations Assessed for Corruption-related Risks (%)	60	40	20
Percentage of Employees who Attended Anti-bribery and Corruption-related Training by Employee Category (%)			
Senior Management	100	100	100
Middle Management	100	100	100
Executive	100	100	100
Non-Executive	100	100	100
Cybersecurity and Data Protection			
Incidents of Cybersecurity Breaches	0	0	0
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	0	0	0

Notes:

[#] This data has been subjected to independent assurance. The Independent Limited Assurance Report is included on pages 175 to 178 of this Report.

GRI

CONTENT INDEX

Axis-REIT has reported the information with reference to the GRI Standards for the period covering the full calendar year from 1 January to 31 December 2025 as cited in this GRI content index.

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Who We Are and What We Do - About Axis-REIT, pages 4 to 5
	2-2 Entities included in the organization's sustainability reporting	About Our Report, pages 2 to 3
	2-3 Reporting period, frequency and contact point	About Our Report, pages 2 to 3
	2-4 Restatements of information	About Our Report, pages 2 to 3
	2-5 External assurance	About Our Report, pages 2 to 3
	2-6 Activities, value chain and other business relationships	About Our Report, pages 2 to 3
	2-7 Employees	Diversity and Inclusion, pages 159 to 166
	2-8 Workers who are not employees	Diversity and Inclusion, pages 159 to 166
	2-9 Governance structure and composition	Corporate Governance Overview Statement, pages 191 to 204
	2-10 Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 191 to 204
	2-11 Chair of the highest governance body	Corporate Governance Overview Statement, pages 191 to 204
	2-12 Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, pages 191 to 204
	2-13 Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, pages 191 to 204
	2-14 Role of the highest governance body in sustainability reporting	About Our Report, pages 2 to 3 Corporate Governance Overview Statement, pages 188 to 201
	2-15 Conflicts of interest	Audit Committee Report, pages 205 to 209
	2-16 Communication of critical concerns	Business Ethics, pages 125 to 128 Human Rights and Labour Practices, pages 167 to 169
	2-17 Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 191 to 204
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 191 to 204
	2-19 Remuneration policies	Corporate Governance Overview Statement, pages 191 to 204
	2-20 Process to determine remuneration	Corporate Governance Overview Statement, pages 191 to 204
	2-22 Statement on sustainable development strategy	Letter to Unitholders from the Chairman & CEO, pages 28 to 34
	2-23 Policy commitments	Management of Material Sustainability Matters, pages 102 to 174
	2-24 Embedding policy commitments	Management of Material Sustainability Matters, pages 102 to 174

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-25 Processes to remediate negative impacts	Management of Material Sustainability Matters, pages 102 to 174
	2-26 Mechanisms for seeking advice and raising concerns	Business Ethics, pages 125 to 128 Human Rights and Labour Practices, pages 167 to 169
	2-27 Compliance with laws and regulations	Management of Material Sustainability Matters, pages 102 to 174
	2-28 Membership associations	Letter to Unitholders from the Chairman & CEO, pages 28 to 34
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, pages 73 to 76
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, pages 77 to 81
	3-2 List of material topics	Materiality Assessment, pages 77 to 81
	3-3 Management of material topics	Management of Material Sustainability Matters, pages 102 to 174
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance, pages 102 to 105
	201-2 Financial implications and other risks and opportunities due to climate change	Risk and Opportunities, pages 82 to 91 Energy and Carbon Footprint, pages 132 to 140
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	Diversity and Inclusion, pages 159 to 166
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	Economic Performance, pages 102 to 105
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Responsible Supply Chain Management, pages 121 to 124
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Business Ethics, pages 125 to 128
	205-2 Communication and training about anti-corruption policies and procedures	Business Ethics, pages 125 to 128
	205-3 Confirmed incidents of corruption and actions taken	Business Ethics, pages 125 to 128
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Carbon Footprint, pages 132 to 140
	302-3 Energy intensity	Energy and Carbon Footprint, pages 132 to 140
	302-4 Reduction of energy consumption	Energy and Carbon Footprint, pages 132 to 140
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water Management, pages 141 to 144
	303-3 Water withdrawal	Water Management, pages 141 to 144
	303-5 Water consumption	Water Management, pages 141 to 144
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Energy and Carbon Footprint, pages 132 to 140
	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Carbon Footprint, pages 132 to 140
	305-3 Other indirect (Scope 3) GHG emissions	Energy and Carbon Footprint, pages 132 to 140
	305-4 GHG emissions intensity	Energy and Carbon Footprint, pages 132 to 140
	305-5 Reduction of GHG emissions	Energy and Carbon Footprint, pages 132 to 140

GRI

CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Waste Management, pages 145 to 149
	306-2 Management of significant waste-related impacts	Waste Management, pages 145 to 149
	306-3 Waste generated	Waste Management, pages 145 to 149
	306-4 Waste diverted from disposal	Waste Management, pages 145 to 149
	306-5 Waste directed to disposal	Waste Management, pages 145 to 149
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Responsible Supply Chain Management, pages 121 to 124
	308-2 Negative environmental impacts in the supply chain and actions taken	Responsible Supply Chain Management, pages 121 to 124
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Diversity and Inclusion, pages 159 to 166
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Diversity and Inclusion, pages 159 to 166
	401-3 Parental leave	Diversity and Inclusion, pages 159 to 166
GRI 403: Occupational Health and Safety 2018	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety, pages 150 to 153
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety, pages 150 to 153
	403-5 Worker training on occupational health and safety	Occupational Health and Safety, pages 150 to 153
	403-6 Promotion of worker health	Diversity and Inclusion, pages 159 to 166
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety, pages 150 to 153
	403-9 Work-related injuries	Occupational Health and Safety, pages 150 to 153
	403-10 Work-related ill health	Occupational Health and Safety, pages 150 to 153
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Talent Development, pages 154 to 158
	404-2 Programs for upgrading employee skills and transition assistance programs	Talent Development, pages 154 to 158
	404-3 Percentage of employees receiving regular performance and career development reviews	Talent Development, pages 154 to 158
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Inclusion, pages 159 to 166
	405-2 Ratio of basic salary and remuneration of women to men	Diversity and Inclusion, pages 159 to 166
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Human Rights and Labour Practices, pages 167 to 169
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Responsible Supply Chain Management, pages 121 to 124 Human Rights and Labour Practices, pages 167 to 169
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Responsible Supply Chain Management, pages 121 to 124 Human Rights and Labour Practices, pages 167 to 169

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Community Activity & Partnership, pages 170 to 174
	413-2 Operations with significant actual and potential negative impacts on local communities	Community Activity & Partnership, pages 170 to 174
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Responsible Supply Chain Management, pages 121 to 124
	414-2 Negative social impacts in the supply chain and actions taken	Responsible Supply Chain Management, pages 121 to 124
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity & Data Protection, pages 129 to 131

SASB

CONTENT INDEX

IF-RE Real Estate

SASB Topic	SASB Metric	SASB Code	Axis-REIT's Reporting
Energy Management	Energy consumption data coverage as a percentage of total floor area, by property sector	IF-RE-130a.1	Energy & Carbon Footprint, page 138 <i>Energy consumption data covering the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager.</i>
	(1) Total energy consumed by portfolio area with data coverage, (2) percentage grid electricity and (3) percentage renewable, by property sector	IF-RE-130a.2	Energy & Carbon Footprint, page 138 <i>Total energy consumption covers non-renewable energy sources (i.e. purchased electricity, petrol, and diesel). Axis-REIT does not consume renewable energy.</i>
	Like-for-like percentage change in energy consumption for the portfolio area with data coverage, by property sector	IF-RE-130a.3	Energy & Carbon Footprint, page 138 <i>Energy consumption data covering the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager.</i>
	Percentage of eligible portfolio that (1) has an energy rating and (2) is certified to ENERGY STAR, by property sector	IF-RE-130a.4	Quality Assets & Services – New Acquisitions, page 115 <i>List of properties with green building certification.</i>
	Description of how building energy management considerations are integrated into property investment analysis and operational strategy	IF-RE-130a.5	Quality Assets & Services – New Acquisitions, pages 113 to 114 <i>For all potential acquisitions, the Manager conducts a comprehensive due diligence assessment that includes a robust scoring system.</i>
Water Management	Water withdrawal data coverage as a percentage of (1) total floor area and (2) floor area in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.1	Water Management, page 144 <i>Total annual water withdrawal data covering the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager.</i>
	(1) Total water withdrawn by portfolio area with data coverage and (2) percentage in regions with High or Extremely High Baseline Water Stress, by property sector	IF-RE-140a.2	Water Management, page 144 <i>Total annual water withdrawal data covering the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager.</i>
	Like-for-like percentage change in water withdrawn for portfolio area with data coverage, by property sector	IF-RE-140a.3	Water Management, page 144 <i>Total annual water withdrawal data covering the common areas of all 13 multi-tenanted properties (including the Manager's headquarters) that are directly managed by the Manager.</i>
	Description of water management risks and discussion of strategies and practices to mitigate those risks	IF-RE-140a.4	Water Management, pages 141 to 144

SASB

CONTENT INDEX

SASB Topic	SASB Metric	SASB Code	Axis-REIT's Reporting
Management of Tenant Sustainability Impacts	(1) Percentage of new leases that contain a cost recovery clause for resource efficiency-related capital improvements and (2) associated leased floor area, by property sector	IF-RE-410a.1	Tenant Satisfaction, page 108 <i>Green leases are offered to tenants - particularly for green certified properties - that incorporate environmental commitments covering areas such as energy efficiency, water conservation, and waste management.</i>
	Percentage of tenants that are separately metered or submetered for (1) grid electricity consumption and (2) water withdrawals, by property sector	IF-RE-410a.2	<i>The percentage of tenants that are separately metered or submetered is not disclosed.</i>
	Discussion of approach to measuring, incentivising and improving sustainability impacts of tenants	IF-RE-410a.3	<i>The approach to measuring, incentivising and improving sustainability impacts of tenants is not disclosed.</i>
Climate Change Adaptation	Area of properties located in 100-year flood zones, by property sector	IF-RE-450a.1	<i>The analysis on areas of properties located in 100-year flood zones is not conducted.</i>
	Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	IF-RE-450a.2	Energy & Carbon Footprint, pages 132 to 140

Activity Metrics

SASB Metric	SASB Code	Axis-REIT's Reporting
Number of assets, by property sector	IF-RE-000.A	Manager's Discussion and Analysis, page 51
Leasable floor area, by property sector	IF-RE-000.B	Manager's Discussion and Analysis, page 51
Percentage of indirectly managed assets, by property sector	IF-RE-000.C	Axis-REIT does not have any indirectly managed assets. All assets are under 100% control by the Manager.
Average occupancy rate, by property sector	IF-RE-000.D	Manager's Discussion and Analysis, pages 51 to 52

FREQUENTLY ASKED QUESTIONS (FAQ)

► How often does Axis-REIT make an income distribution?

Since 1 January 2009, Axis-REIT has changed its income distribution policy from semi-annual payments to quarterly payments that are payable within one month from the book closure date. In the event of an IDRPs being applied in conjunction with an income distribution, the income distribution will be paid no later than five market days after one month from the book closure date pursuant to the waiver granted by Bursa Securities dated 19 April 2012. However, in certain circumstances such as the issuance of new Units by Axis-REIT during the year, it may be necessary for a special income distribution to be declared and paid at a different period in order to attribute income distribution to existing Unitholders. This is to avoid any dilution as a result of the enlarged Unitholders' capital.

► How is this income distribution paid?

Payments are made via direct credit/cheques to each Unitholder with an attached Distribution Tax Voucher detailing the entitlement and the gross/net amount payable.

► Are there different types of income distributions?

Yes. At the Fund level, the source from which income is distributed could be derived from:

- The current year's realised income before taxation;
- The current year's tax-exempt income, if any;
- A portion of 'Accumulated Retained Earnings' that has been taxed;
- A portion of 'Accumulated Retained Earnings' that consists of tax-exempt income.

► What is the tax treatment of Unitholders?

Prior to 31 December 2025:

Under the amended Section 109D(2) of the Income Tax Act 1967, as gazetted on 8 January 2009, the following withholding tax (WHT) rates applied to income distributions by Malaysian REITs:

Unitholder	WHT rate (prior to 31 December 2025)
► Resident company	Nil [^]
► Resident non-corporate	10%
► Non-resident company	24%
► Non-resident institutional investor	10%
► Non-resident other than company and institutional investors	10%

[^] Tax flow through; thus no WHT

Current (after 31 December 2025):

The WHT concession previously applicable to income distributions by Malaysian REITs expired on 31 December 2025. In the absence of further extension of WHT concession on income distribution to unitholders, the WHT rate or income tax rate on distribution income are as follows:

Unitholder	WHT rate (from 1 January 2026)
► Resident company	Nil [^]
► Resident unitholder other than a resident company	Nil [#]
► Non-resident institutional investor	Nil [#]
► Non-resident other than company and institutional investors	Nil [#]
► Non-resident company	24%

[^] Tax flow through; thus no WHT

[#] No WHT. The Unitholders are responsible for declaring the distribution in their tax return

The above is subject to any future directive issued by the Ministry of Finance and/or the Inland Revenue Board of Malaysia.

► How do I calculate my distribution?

The total income distribution for the financial year 2025, was 10.55 sen per Unit, of which 2.21 sen was derived from the utilisation of capital allowances, industrial building allowances, tax-exempt profit income and distribution of net gain on disposal of The Annex, which is not subject to tax.

The table below illustrates the gross and net distributions for different types of Unitholders, assuming 10,000 Axis-REIT Units:

Type of Unitholder	Gross distribution (RM)	Net distribution to Unitholders after deduction of WHT (RM)
► Resident corporate	1,055.00	1,055.00 ^(note i)
► Resident non-corporate	1,055.00	985.00 ^(note ii)
► Non-resident individual	1,055.00	985.00 ^(note ii)
► Non-resident institution	1,055.00	985.00 ^(note ii)
► Non-resident corporate	1,055.00	887.00 ^(note iii)

(for illustration purposes)

FREQUENTLY ASKED QUESTIONS (FAQ)

Notes :

Payment of 2025 interim income distributions (1st to 3rd income distributions) prior to 31 December 2025:

The applicable WHT rates were applied based on the type of Unitholder, as outlined in “What is the tax treatment of Unitholders?”.

Payment of 2025 final income distribution (after 31 December 2025):

- (i) tax flow through; thus no WHT.
- (ii) no WHT; the Unitholders are responsible for declaring the distribution in their tax return.
- (iii) WHT of 24% is applicable.

► What is my net distribution yield for 2025?

For FYE2025, the total distribution was 10.55 sen per Unit.

Type of Unitholder	Net distribution yield based on IPO price of RM0.625*	Net distribution yield based on closing price of RM1.92 on 31 December 2025
► Resident corporate	16.88%	5.49%
► Resident non-corporate	15.76%	5.13%
► Non-resident individual	15.76%	5.13%
► Non-resident institution	15.76%	5.13%
► Non-resident corporate	14.19%	4.62%

* Restated from RM1.25 to reflect the Unit Split.

► Where can a Unitholder view the Deed of Axis-REIT?

The Deed is available for inspection during ordinary business hours at the principal place of business of the Manager and at the principal place of business of the Trustee.

► What is the total number of Axis-REIT Units currently in issue?

A total of 2,024,894,950 Units were in circulation as at 31 December 2025.

► How can new Units be issued?

The Manager may, from time to time, recommend an increase in the number of Units by way of a rights or bonus issue to existing Unitholders in proportion to their holdings of Units, or by way of private placement or such other methods as may be permitted under the SC’s Guidelines on Listed REITs. The issuance of new Units is an avenue for Axis-REIT to finance acquisitions or to balance the financing-equity matrix of the Fund.

Any issuance of new Units in Axis-REIT will be subject to the prior approval of the Trustee and Unitholders in the manner stipulated in the Deed, and subject to the applicable laws and requirements.

► What are my rights as a Unitholder?

The key rights of Unitholders include rights to receive income and other distributions attributable to the Units held, receive the fund reports of Axis-REIT, and participate in the termination of Axis-REIT by receiving a share of all net cash proceeds derived from the realisation of the assets of Axis-REIT less any liabilities, in accordance with their proportionate interests in Axis-REIT. Unitholders are also entitled to vote on resolutions tabled at meetings of Unitholders.

► How can the Deed be amended?

Any amendment to the Deed involving a material change to the investment objectives of Axis-REIT, or materially or adversely affecting the rights of the Unitholders, may only be approved by a resolution of not less than two-thirds (2/3) of the Unitholders passed at a meeting of Unitholders duly convened and held in accordance with the Deed. In cases where any amendment to the Deed does not require Unitholders’ approval, no amendment may be made to the Deed unless the Trustee and the Manager certify, in their opinion, that the amendment does not materially prejudice the interests of Unitholders and does not operate to release (to any material extent) the Trustee or the Manager from any responsibility to the Unitholders.

► When does Axis-REIT need to hold its AGM?

The AGM of Axis-REIT shall be held once in every calendar year within six months of the Fund’s financial year end, and not more than 15 months after the last preceding AGM was held. At the AGM, the Manager shall lay before the Unitholders, the annual report of Axis-REIT, made up to a date not more than four months before the date of the AGM.

FREQUENTLY ASKED QUESTIONS (FAQ)

▶ Who may convene a meeting of Unitholders?

Either the Trustee or the Manager may convene a meeting of Unitholders at any time, subject to the provisions of the Deed. Unitholders may requisition for a meeting of Unitholders by submitting to the Manager an application to be made by not fewer than 50, or one tenth, whichever is lesser, of all Unitholders. Subject to the provisions of the Deed, the Manager will have to convene a meeting of Unitholders within 21 days after such requisition is submitted to the Manager at its registered office.

▶ Can the Manager vote at Unitholders' meetings of Axis-REIT?

No, unless it is a meeting held for the proposed removal of the Manager. However, related parties (as defined in the Deed) of the Manager may vote, provided that they have no interest in the outcome of the transaction laid before the meeting for approval.

▶ Why was Axis-REIT reclassified into an Islamic REIT?

Axis-REIT was reclassified into an Islamic REIT:

- a. To widen its investor base to include local Islamic funds and also to develop investor interest from foreign Islamic funds;
- b. To expedite its asset growth with new strategic partners; and
- c. To become the first Office/Industrial REIT on a global platform which complied with the SC's Guidelines on Islamic REITs at that time.

▶ What are the salient compliance requirements of an Islamic REIT pursuant to the SC's Guidelines on Islamic Capital Market Products and Services?

The salient compliance requirements are as follows:

- a. Rental obtained from Shariah non-compliant activities must not exceed 20% of the total turnover of the Islamic REIT;
- b. An Islamic REIT is not permitted to own real estate in which all the tenants operate Shariah non-compliant activities even if the percentage of rental based on total turnover is below the 20% benchmark;
- c. Investments in non-real estate assets, deposits and money market instruments and financing facilities must comply with Shariah principles; and
- d. An Islamic REIT must use Takaful schemes to insure its real estate, unless Takaful scheme is not available or commercially viable, as determined by the Shariah adviser.

▶ What are Shariah non-compliant activities?

- (a) conventional banking and lending;
- (b) conventional insurance;
- (c) gambling;
- (d) liquor and liquor-related activities;
- (e) pork and pork-related activities;
- (f) non-halal food and beverages;
- (g) tobacco and tobacco-related activities;
- (h) stockbroking or share trading in Shariah non-compliant securities;
- (i) Shariah non-compliant entertainment; and
- (j) other activities deemed non-compliant according to Shariah principles, as determined by the SAC of the SC.

▶ Must Axis-REIT comply with additional requirements prescribed by the SC for Islamic REITs?

Yes. Previously, the SC's Guidelines on Listed REITs essentially provided Shariah guidance on the investment and business activities of Islamic REITs. On 28 November 2022, the SC consolidated all the existing Shariah requirements which were previously set out in various SC guidelines, into one single regulatory document i.e. the ICMPs Guidelines, to govern those offering Islamic capital market products and services. The Shariah requirements had been removed from the SC's Guidelines on Listed REITs and Axis-REIT must comply with the ICMPs Guidelines effective from 28 November 2022 onwards.

GLOSSARY

<IR>	Framework International <IR> Framework
AEIs	Asset Enhancement Initiatives
AFM	Axis Facilities Management Sdn Bhd
AGM	Annual General Meeting
ARMB or the Manager	Axis REIT Managers Berhad, being the Manager of Axis-REIT
Axis-REIT/the Fund/the Trust	Axis Real Estate Investment Trust
Bursa Securities	Bursa Malaysia Securities Berhad
Deed	The Fourth Principal Deed dated 17 January 2020 executed between the Trustee and the Manager constituting Axis-REIT
DPU	Distribution per Unit
ESG	Environmental, Social and Governance
FYE	Financial Year Ended/Ending
GDP	Gross Domestic Product
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
Financing ratio	Financing to Total Assets
IAR2025	Integrated Annual Report 2025
IDRP	Income Distribution Reinvestment Plan
MER	Management Expense Ratio
NAV	Net Asset Value
NLA	Net Lettable Area, which consists of the total gross floor area less the common areas, such as corridors, amenities area and management offices of the building
p.a.	Per annum
Property Manager	Axis Property Services
Q	Quarter
REIT(s)	Real Estate Investment Trust(s)
RM and sen	Ringgit Malaysia and sen, respectively
SAC	Shariah Advisory Council
SC	Securities Commission Malaysia
SC's Guidelines on Islamic Capital Market Products and Services/ICMPS Guidelines	Guidelines on Islamic Capital Market Products and Services issued by the SC on 28 November 2022, as may be amended from time to time
SC's Guidelines on Listed REITs	Guidelines on Listed Real Estate Investment Trusts issued by the SC on 15 March 2018, as may be amended from time to time
SPT	Specific Performance Target for Sustainability-linked financing
Trustee of Axis-REIT/the Trustee	RHB Trustees Berhad, being the Trustee of Axis-REIT
Unit(s)	Undivided interest(s) in Axis-REIT as constituted by the Deed
Unit Split	Subdivision of every one existing Unit into two Units that was completed on 9 September 2015
Unitholder(s)	Holder(s) of the Units
WALE	Weighted Average Lease Expiry

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fourteenth (14th) Annual General Meeting (AGM) of Axis Real Estate Investment Trust (Axis-REIT) will be convened and held at Ballroom 1, Sheraton Petaling Jaya Hotel, Jalan Utara C, 46200 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 April 2026 at 10.00 a.m., for the following purposes:

ORDINARY BUSINESS

To receive the Audited Financial Statements for the financial year ended 31 December 2025 of Axis-REIT together with the Reports attached thereon.

SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following resolutions as Ordinary Resolutions of Axis-REIT:

ORDINARY RESOLUTION NO. 1

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS IN AXIS-REIT (UNITS) OF UP TO 20% OF THE TOTAL NUMBER OF UNITS ISSUED IN AXIS-REIT, TO FACILITATE A PLACEMENT EXERCISE (PROPOSED RENEWAL OF AUTHORITY)

“**THAT** pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (Bursa Securities), and subject to requisite approvals being obtained, approval be and is hereby given to the Directors of Axis REIT Managers Berhad (Manager) to allot and issue new Units, to facilitate Axis-REIT in raising funds via a placement exercise (Proposed Placement), at any time to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of new Units to be issued pursuant to this resolution, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the total number of Units issued in Axis-REIT;

THAT such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders' meeting,

whichever is the earliest;

THAT such new Units to be issued under the Proposed Placement (Placement Units) shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distribution that may be declared, made or paid before the date of allotment and issue of the Placement Units;

AND THAT authority be and is hereby given to the Directors of the Manager and RHB Trustees Berhad (Trustee) (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of Authority.”

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

ORDINARY RESOLUTION NO. 2

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS FOR THE PURPOSE OF THE INCOME DISTRIBUTION REINVESTMENT PLAN (IDRP) THAT PROVIDES THE UNITHOLDERS OF AXIS-REIT THE OPTION TO REINVEST THEIR INCOME DISTRIBUTION INTO NEW UNITS (PROPOSED RENEWAL OF IDRPA AUTHORITY)

“**THAT** pursuant to the IDRPA as approved by the Unitholders at the Unitholders’ meeting convened and held on 26 July 2011 and subject to requisite approvals being obtained, approval be and is hereby given to the Directors of the Manager to allot and issue new Units from time to time pursuant to the IDRPA upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the issue price of the said new Units, which will be fixed by the Directors of the Manager on the price-fixing date to be determined and announced (Price-Fixing Date), shall not be more than 10% discount to the 5-day volume weighted average market price (VWAMP) of the Units immediately prior to the Price-Fixing Date, of which the 5-day VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount;

THAT such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of IDRPA Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of IDRPA Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders’ meeting,

whichever is the earliest;

THAT such new Units to be issued under the Proposed Renewal of IDRPA Authority (IDRP Units) shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the IDRPA Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distribution that may be declared, made or paid before the date of allotment and issue of such IDRPA Units;

AND THAT authority be and is hereby given to the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of IDRPA Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of IDRPA Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of IDRPA Authority.”

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

17 March 2026

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

Notes:

- (1) A Unitholder shall be entitled to attend, speak and vote at any meeting of Unitholders and shall be entitled to appoint up to 2 persons, whether a Unitholder or not, as its proxy to attend, speak and vote on the Unitholder's behalf.
- (2) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend, speak and vote at the meeting and shall be entitled to appoint up to 2 persons (whether a Unitholder or not) as its proxy to attend, speak and vote on the Unitholder's behalf.
- (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) 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.
- (6) Only a depositor whose name appears in the Record of Depositors of Axis-REIT as at 23 April 2026 shall be regarded as a Unitholder and entitled to attend and vote at the meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- (7) 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 common seal or under the hand of an officer or attorney duly authorised.
- (8) 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, not less than 48 hours before the time appointed for holding the meeting (facsimile copy or soft copy of the Instrument of Proxy would be disregarded).

Additional Information:

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/agm.php> for more details of this physical AGM. The Instrument of Proxy is also available for download from the same link.

EXPLANATORY NOTES ON:

Ordinary Business

There shall be no voting on the Ordinary Business of this AGM given that the laying of the Audited Financial Statements for the financial year ended 31 December 2025 of Axis-REIT together with the Reports attached thereon, before the Unitholders at this AGM, is meant for discussion only. This is in accordance with Paragraph 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia.

Other than the aforesaid Ordinary Business, there is no other ordinary business to be transacted at this AGM.

Special Business – Ordinary Resolution No. 1 : Proposed Renewal of Authority

- (a) The Manager proposes to renew the authority to allot and issue up to 20% of the total number of Units issued in Axis-REIT, to facilitate Axis-REIT in raising funds via the Proposed Placement. The Proposed Renewal of Authority will empower the Directors with the flexibility to allot and issue new Units at any time via the Proposed Placement to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of new Units to be issued pursuant to the Proposed Renewal of Authority, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the total number of Units issued in Axis-REIT.
- (b) As of the date of this notice of AGM, the Directors of the Manager have not issued any new Units pursuant to the general mandate which was procured and approved by the Unitholders in the preceding year 2025.
- (c) With the Proposed Renewal of Authority, delays and further costs involved in convening separate Unitholders' meetings to approve such issue of new Units to raise funds can be avoided. The Manager will have the flexibility to raise funds via the Proposed Placement for Axis-REIT, as and when such need arises. The proceeds, after deducting the estimated expenses, to be raised from the issuance of the Placement Units, may be used, at the Directors' absolute discretion, for:
 - (i) repayment of Axis-REIT's existing bank financing (including finance cost payable);
 - (ii) future investments;
 - (iii) capital expenditure, including development costs; and/or
 - (iv) working capital purposes.

NOTICE OF FOURTEENTH ANNUAL GENERAL MEETING

Special Business – Ordinary Resolution No. 2 : Proposed Renewal of IDRP Authority

- (a) The Manager proposes to renew the authority to allot and issue new Units for the purpose of the IDRP. The Proposed Renewal of IDRP Authority will empower the Directors with the flexibility to allot and issue new Units from time to time pursuant to the IDRP upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the issue price of the said new Units, which will be fixed by the Directors of the Manager on the Price-Fixing Date, shall not be more than 10% discount to the 5-day VWAMP of the Units immediately prior to the Price-Fixing Date, of which the 5-day VWAMP shall be adjusted ex-income distribution before applying the aforementioned discount.
- (b) Axis-REIT had applied the IDRP to the third interim income distribution for the period from 1 July 2025 to 30 September 2025 (2025 Third Interim Income Distribution) which was declared on 23 October 2025 (2025 IDRP) where a total of 4,120,768 new Units were issued under the 2025 IDRP on 19 December 2025. The new Units issued under the 2025 IDRP were listed on the Main Market of Bursa Securities on 22 December 2025.
- (c) The proceeds raised from 4,120,768 Units issued under the 2025 IDRP in conjunction with the 2025 Third Interim Income Distribution (after deducting the related issuing expenses), were utilised to refurbish and/or renovate the properties of Axis-REIT and payment of premiums/considerations for the extension of lease period of a leasehold property.
- (d) With the Proposed Renewal of IDRP Authority, delays and further costs involved in convening separate Unitholders' meetings to approve such issue of new Units can be avoided. Any proceeds to be raised from the issuance(s) of new Units pursuant to the Proposed Renewal of IDRP Authority, if such authority is renewed at the forthcoming AGM, shall be utilised for the following purposes:
 - (i) asset enhancement initiatives, which include the refurbishment and/or renovation of properties as well as payment of premiums/considerations for the extension of lease periods of leasehold properties and leases in the portfolio of Axis-REIT; and/or
 - (ii) any other purpose that the Manager and the Trustee deem fit and in the best interest of the Unitholders.

Personal Data Notice

Axis REIT Managers Berhad, being the management company of Axis-REIT is committed to ensure the processing of personal data by us is in accordance with the Personal Data Protection Act 2010. The personal data processed by us may include your name, contact details, mailing address, any other personal data derived from any documentation and such other necessary data regarding yourself and/or your dealings with us. Your personal data may be collected from information you may have provided us, information from third parties and information in the public domain. We may use or disclose your personal data to any person we may engage for the purpose of the issuance of the Notice of AGM, processing of the Instrument of Proxy, convening of the AGM of Axis-REIT and for any other purposes that is required or permitted by any law, regulations, guidelines and/or relevant regulatory authorities.

For more information regarding the use of your personal data by us, please read our Privacy Notice which is available on Axis-REIT's website at www.axis-reit.com.my.

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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 (In block letters):	MyKad/Passport No.:	Proportion of Unitholdings	
		No. of Units	Percentage (%)
Address:			
Email address:	Contact No.:		

***OR failing him/her/AND,**

Full Name (In block letters):	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 and vote for me/us on my/our behalf at the Fourteenth Annual General Meeting (14th AGM) of Axis-REIT to be convened and held at Ballroom 1, Sheraton Petaling Jaya Hotel, Jalan Utara C, 46200 Petaling Jaya, Selangor Darul Ehsan on **Thursday, 30 April 2026, at 10.00 a.m.**, 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 No. 1	Proposed Renewal of Authority		
Ordinary Resolution No. 2	Proposed Renewal of IDRP Authority		

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 of 2026

.....

Signature of Unitholder OR Common Seal

* Strike out whichever is not desired.

Notes:

- (1) A Unitholder shall be entitled to attend, speak and vote at any meeting of Unitholders and shall be entitled to appoint up to 2 persons, whether a Unitholder or not, as its proxy to attend, speak and vote on the Unitholder's behalf.
- (2) Where a Unitholder is a corporation, its duly authorised representative shall be entitled to attend, speak and vote at the meeting and shall be entitled to appoint up to 2 persons (whether a Unitholder or not) as its proxy to attend, speak and vote on the Unitholder's behalf.
- (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) 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.
- (6) Only a depositor whose name appears in the Record of Depositors of Axis-REIT as at 23 April 2026 shall be regarded as a Unitholder and entitled to attend and vote at the meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- (7) 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 common seal or under the hand of an officer or attorney duly authorised.
- (8) 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, not less than 48 hours before the time appointed for holding the meeting (facsimile copy or soft copy of the Instrument of Proxy would be disregarded).

Additional Information:

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/agm.php> for more details of this physical AGM. The Instrument of Proxy is also available for download from the same link.

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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

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www.axis-reit.com.my



Prepared by:

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As the Manager of Axis-REIT

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