AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.6.2026 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2025 RM'000
ASSETS		
Non-Current Assets		
Investment properties	5,292,524	5,237,020
Equipment	1,119	1,149
Total Non-Current Assets	**5,293,643**	**5,238,169**
Current Assets		
Receivables, deposits and prepayments	56,429	40,214
Islamic deposits placed with licensed banks (pledged)	19,131	25,564
Cash and cash equivalents	47,087	52,346
Total Current Assets	**122,647**	**118,124**
TOTAL ASSETS	**5,416,290**	**5,356,293**
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	79,970	80,381
Deferred tax liability	21,639	21,639
Financing	1,230,887	935,809
Total Non-Current Liabilities	**1,332,496**	**1,037,829**
Current Liabilities		
Payables and accruals	94,641	97,280
Financing	572,500	797,727
Total Current Liabilities	**667,141**	**895,007**
TOTAL LIABILITIES	**1,999,637**	**1,932,836**
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	2,599,605	2,599,605
Distributable income	34,119	43,597
Non-distributable reserves	782,929	780,255
	3,416,653	**3,423,457**
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	**5,416,290**	**5,356,293**
NET ASSET VALUE	**3,416,653**	**3,423,457**
NUMBER OF UNITS IN CIRCULATION	**2,024,894,950**	**2,024,894,950**
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	**1.6873**	**1.6907**
- After income distribution	**1.6643** (Note 1)	**1.6632**

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being Net Asset Value Per Unit after reflecting the realised income to be distributed as 2026 second interim income distribution of 2.30 sen per unit payable on 28 August 2026.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2026	Preceding Year Corresponding Quarter 30.6.2025	Current Year To date 30.6.2026	Preceding Year To date 30.6.2025
	RM'000	RM'000	RM'000	RM'000
TOTAL TRUST INCOME *	88,798	90,252	179,353	180,122
Property income	87,937	89,616	177,966	179,161
Lease incentive adjustment (non-distributable) **	470	286	(92)	222
Unbilled lease income receivable ***	582	850	1,160	1,700
	88,989	90,752	179,034	181,083
Less : Assessment	(2,334)	(2,114)	(4,655)	(4,232)
Quit rent	(469)	(441)	(977)	(927)
Other property operating expenditure	(10,658)	(9,104)	(20,076)	(18,590)
Net property income	75,528	79,093	153,326	157,334
Profit and other income	391	350	1,479	739
Net gain on disposal of investment property	-	867	-	867
Unbilled lease income ***	(582)	(850)	(1,160)	(1,700)
Fair value change on derivatives	(213)	(4,532)	3,059	(5,957)
Net (loss) / gain on financial liabilities measured at amortised cost	(449)	150	(385)	512
NET PROPERTY AND INVESTMENT INCOME	**74,675**	**75,078**	**156,319**	**151,795**
Manager's fees	8,550	8,343	17,085	16,660
Trustee's fees	281	266	561	530
Depreciation	70	72	138	153
Auditors' fees	46	40	92	80
Tax agent's fee	5	6	11	10
(Reversal of) / provision for doubtful debts	(179)	-	95	(7)
Administrative expenses	1,929	1,102	3,862	2,235
Islamic financing cost #	17,676	17,741	34,972	35,495
NON-PROPERTY EXPENSES	**28,378**	**27,570**	**56,816**	**55,156**
NET TRUST INCOME	**46,297**	**47,508**	**99,503**	**96,639**
INCOME TAX EXPENSES				
- RPGT on disposal of investment property (realised)	-	(1,202)	-	(1,202)
- Reversal of deferred tax provision	-	645	-	645
NET INCOME FOR THE QUARTER /PERIOD	**46,297**	**46,951**	**99,503**	**96,082**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2026 RM'000	Preceding Year Corresponding Quarter 30.6.2025 RM'000	Current Year To date 30.6.2026 RM'000	Preceding Year To date 30.6.2025 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	**46,297**	**46,951**	**99,503**	**96,082**
EARNINGS PER UNIT (EPU) (sen) ##	2.28	2.32	4.91	4.76
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS FOLLOWS:				
Realised				
- property income	46,489	51,604	96,921	101,862
- lease incentive adjustment (non-distributable) **	470	286	(92)	222
- RPGT on disposal of investment property	-	(1,202)	-	(1,202)
Unrealised - Net (loss) / gain on financial liabilities measured at amortised cost	(449)	150	(385)	512
Unrealised - Fair value change on derivatives	(213)	(4,532)	3,059	(5,957)
Unrealised - reversal of deferred tax provision	-	645	-	645
	46,297	46,951	99,503	96,082

(The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements)

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

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

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

\# Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.

\## EPU for the current quarter/period is computed based on net income for the quarter/period divided by units in issue of 2,024,894,950 units. EPU for preceding year corresponding quarter/period is based on units in issue of 2,020,774,182 units and the weighted average number of units of 2,016,002,414 units, respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2025 TO 30 JUNE 2025 (UNAUDITED)

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

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2026 TO 30 JUNE 2026 (UNAUDITED)

		Distributable	*Non-Distributable*	
	Total Unitholders' Capital RM'000	**Realised Income RM'000**	**Unrealised Income RM'000**	**Total Unitholders' Funds RM'000**
At 1 January 2026	2,599,605	43,597	780,255	3,423,457
Net Income for the period	-	96,829	2,674	99,503
Total comprehensive income for the period	-	96,829	2,674	99,503
Contributions by and distributions to unitholders				
Distribution to unitholders #	-	(106,307)	-	(106,307)
Total transactions with unitholders	-	(106,307)	-	(106,307)
At 30 June 2026	**2,599,605**	**34,119**	**782,929**	**3,416,653**

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of final income distribution amounting to 2.75 sen per unit for the financial year 2025 and the first interim income distribution for financial year 2026 of 2.50 sen per unit, which were paid on 27 February 2026 and 29 May 2026 respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2026 (UNAUDITED)

	Current Year To Date 30.6.2026 RM'000	Preceding Year To Date 30.6.2025 RM'000
Cash flows from operating activities		
Net income before taxation	99,503	96,639
Adjustments for :-		
Islamic financing cost	34,972	35,495
Profit and other income	(1,479)	(739)
Gain on disposal of investment property	-	(867)
Depreciation of equipment	138	153
Loss / (gain) on financial liabilities measured at amortised cost	385	(512)
Impairment loss / (reversal of impairment loss) on trade receivables	95	(7)
Fair value change on Islamic derivatives	(3,059)	5,957
Operating income before changes in working capital	130,555	136,119
Changes in working capital		
Receivables, deposits and prepayments	(16,310)	(9,430)
Payables and accruals	(6,806)	(41,091)
Tenants' deposits	6,430	1,337
Net cash from operating activities	113,869	86,935
Cash flows from investing activities		
Profit and other income received	1,479	739
Enhancement of investment properties	(4,767)	(12,993)
Acquisition of investment property	(50,737)	-
Acquisition of equipment	(108)	(159)
Net proceeds from disposal of investment property	-	23,867
RPGT on the gain on disposal of investment property	-	(1,202)
Decrease in pledged Islamic deposits	6,433	-
Net cash (used in) / from investing activities	(47,700)	11,454
Cash flows from financing activities		
Islamic financing cost paid	(34,731)	(34,772)
Proceeds from / (repayment of) financing, net	69,610	(47,473)
Income distribution paid to unitholders	(106,307)	(76,053)
Proceeds from issuance of units	-	17,479
Issuing expenses	-	(225)
Net cash used in financing activities	(71,428)	(141,044)

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2026 (UNAUDITED) (CONT'D)**

	Current Year To Date 30.6.2026 RM'000	Preceding Year To Date 30.6.2025 RM'000
Net decrease in cash and cash equivalents	(5,259)	(43,857)
Cash and cash equivalents at beginning of period	52,346	101,205
Cash and cash equivalents at end of period	47,087	57,348

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2025 and the accompanying explanatory notes attached to the financial statements.)

NOTES TO THE QUARTERLY REPORT

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

A1. BASIS OF PREPARATION

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

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial statements of Axis Real Estate Investment Trust ("Axis-REIT" or "Trust" or "Fund") for year ended 31 December 2025.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2025

The audit report of the financial statements of Axis-REIT for the preceding financial year ended 31 December 2025 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

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

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND SHARIAH-COMPLIANT EQUITY SECURITIES

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

A7. INCOME DISTRIBUTION

During the quarter under review, the 2026 first interim income distribution of 2.50 sen per unit, totaling RM50,622,000 in respect of the period from 1 January 2026 to 31 March 2026 was paid on 29 May 2026.

Axis REIT Managers Berhad, the management company of Axis-REIT ("Manager") has proposed to distribute 99% from realised income available for distribution generated from operations for the period from 1 April 2026 to 30 June 2026 of 2.30 sen per unit, which includes a non-taxable portion of approximately 0.02 sen per unit derived from tax-exempt profit income which is not subject to tax, as the 2026 second interim income distribution.

The 2026 second interim income distribution will be payable on 28 August 2026 and the book closure date is 13 August 2026.

A8. SEGMENTAL REPORTING

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

A9. VALUATIONS OF INVESTMENT PROPERTIES

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

A10. MATERIAL EVENTS

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

a) A sale and purchase agreement ("SPA") had been executed on 22 April 2024 for the proposed acquisition by Axis-REIT of a storage yard in Kawasan Perindustrian Bukit Raja, Selangor for a proposed purchase consideration of RM38,800,000. Axis-REIT has paid the first instalment in respect of the property (comprising a deferred payment of 50% of the property balance purchase price) in accordance to the terms of SPA. Pursuant thereof, the vacant possession of the property has been delivered to Axis-REIT on 5 December 2025 in accordance with the terms and conditions of SPA and the property is now known as Axis Facility 4 @ Bukit Raja.

   Axis-REIT has undertaken the development of a manufacturing facility at Axis Facility 4 @ Bukit Raja with an estimated gross built-up area of approximately 180,000 sq. ft. and the main contractor has been appointed in June 2026.

b) A SPA has been executed on 1 August 2025 for the proposed acquisition by Axis-REIT of a warehouse facility in Telok Gong, Port Klang, Selangor for a proposed purchase consideration of RM80,000,000. This proposed acquisition is still pending completion.

c) A SPA has been executed on 4 September 2025 for the proposed acquisition by Axis-REIT of a industrial property in Kawasan Industri Bandar Sultan Suleiman, Port Klang, Selangor for a proposed purchase consideration of RM50,000,000. This proposed acquisition was completed on 27 January 2026 and the property is now known as Axis Industrial Facility 1 @ Northport.

d) A SPA has been executed on 31 December 2025 for the proposed acquisition by Axis-REIT of an industrial facility to be constructed on a leasehold industrial land by the vendor in Kawasan Perindustrian Senai Fasa 3, Senai, Johor for a proposed purchase consideration of RM34,608,900. This proposed acquisition is still pending completion.

e) Axis-REIT has commenced the development of a logistics warehouse with an estimated built-up area of approximately 74,000 sq. ft. on the remaining vacant portion of the land forming part of an existing property of Axis-REIT, known as Pasir Gudang Logistics Warehouse 2, in May 2026.

f) A SPA has been executed on 13 May 2026 for the proposed acquisition by Axis-REIT of an industrial property in Seksyen 16, Shah Alam, Selangor for a proposed purchase consideration of RM38,000,000.

g) A SPA has been executed on 25 June 2026 for the proposed acquisition by Axis-REIT of a distribution centre in Bandar Saujana Putra, Selangor for a proposed purchase consideration of RM128,000,000.

h) A SPA has been executed on 30 July 2026 for the proposed acquisition by Axis-REIT of an industrial complex in Kawasan Industri Padang Meha, Kedah for a proposed purchase consideration of RM113,000,000.

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

There was no change in the composition of the fund size of Axis-REIT for the current quarter under review and the fund size stands at 2,024,894,950 units.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

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

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report the following financial results:

Quarter Results
For the quarter ended 30 June 2026 ("2Q2026"), Axis-REIT registered a total trust income of RM88,798,000. The realised net income from operations was RM46,959,000 after deducting total expenditure of RM41,839,000, of which RM13,461,000 were attributable to property expenses and RM28,378,000 to non-property expenses.

The Manager has proposed to distribute 99% from realised income available for distribution generated from operations for the second quarter of 2026.

The total net asset value stood at RM3,416,653,000 and the net asset value per unit (before 2026 second interim income distribution) was RM1.6873.

Six Months Results
For the six months ended 30 June 2026, Axis-REIT recorded a total revenue of RM179,353,000. The realised net income generated from operations was RM96,829,000 after deducting total expenditure of RM82,524,000, of which RM25,708,000 were attributable to property expenses and RM56,816,000 to non-property expenses.

A total of RM50,622,000 was declared as the 2026 first interim income distribution which translated to 2.50 sen per unit, and paid on 29 May 2026.

Axis-REIT has further set aside RM46,573,000 (approximately 99% of total income available for distribution in respect of the period from 1 April 2026 to 30 June 2026) as the 2026 second interim income distribution which translates to 2.30 sen per unit payable on 28 August 2026.

Maintenance costs & major capital expenditure
During the financial period ended 30 June 2026, a total of RM4,767,000 has been incurred for major capital expenditure, ie RM3,556,000 for enhancement of properties of Axis-REIT and RM1,211,000 incurred for the development projects.

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

	Current Year Quarter 30.6.2026 RM'000	Immediate Preceding Quarter 31.3.2026 RM'000	%
Property income	87,937	90,029	-2.3%
Less : Property expenses	(13,461)	(12,247)	+9.9%
Net property income	74,476	77,782	-4.3%
Profit and other income	391	1,088	-64.1%
Less: Non-property expenses (including financing cost)	(28,378)	(28,438)	-0.2%
Net income before lease incentive adjustment (non-distributable)	46,489	50,432	-7.8%
Lease incentive adjustment, net (Note 1)	470	(562)	
Net income before tax (Realised)	46,959	49,870	-5.8%

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

For 2Q2026, Axis-REIT's property income was RM87,937,000, 2.3% lower compared to the immediate preceding quarter ("1Q2026") of RM90,029,000, mainly due to lower occupancy of the existing portfolio.

Property expenses was RM13,461,000, 9.9% higher compared to 1Q2026, mainly due to higher one-off property expenses and non-property expenses was 0.2% lower compared to 1Q2026.

During the quarter under review, net income before lease incentive adjustment was RM46,489,000, 7.8% lower compared to 1Q2026 of RM50,432,000, mainly due to lower property income and higher property expenses.

B3. PROSPECTS

The Manager is optimistic that in view of the satisfactory performance of Axis-REIT's existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its current performance for the financial year ending 31 December 2026.

B4. INVESTMENT OBJECTIVES

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

B5. STRATEGIES AND POLICIES

There was no change in the strategies and policies employed since the issuance of the 2025 Integrated Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, the property portfolio size of Axis-REIT remains at 70 as at 30 June 2026.

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

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

B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 30.6.2026 RM'000	Preceding Year Corresponding Quarter 30.6.2025 RM'000	Current Year To date 30.6.2026 RM'000	Preceding Year To date 30.6.2025 RM'000
Gross rental income	88,407	89,902	177,874	179,383
Profit and other income	391	350	1,479	739
	88,798	90,252	179,353	180,122
Add: Gain on disposal of investment property	-	867	-	867
Less: Expenses	(41,839)	(39,229)	(82,524)	(78,905)
Less: RPGT on disposal of investment property	-	(1,202)	-	(1,202)
Realised income for the period	46,959	50,688	96,829	100,882
Add: Realisation of unrealised income (upon disposal of investment property)	-	9,160	-	9,160
Less/Add: Non-cash items	(579)	(214)	325	(76)
Total realised income available for the period	46,380	59,634	97,154	109,966
Add: Brought forward undistributed realised income available for distribution	689	435	537	622
Total realised income available for distribution	47,069	60,069	97,691	110,588
Less: Proposed/declared income distribution for the quarter/period	(46,573)	(53,551)	(97,195)	(104,070)
Balance undistributed realised income available for distribution	496	6,518	496	6,518
Distribution per unit (sen)	2.30	2.65	4.80	5.15

B9. TAXATION

Trust Level

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

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

Unitholders' Level

(i) Resident unitholders:

Income distribution by the REIT (which is exempted at the REIT's level under Section 61A of the ITA) to individuals, companies and other unitholder entities are subject to their respective scale rates / corporate tax rates. The deduction of withholding tax will not be applicable to resident unitholders and the resident unitholders are required to report the distribution of income from the REIT in their respective Income Tax Returns.

(ii) Non-resident unitholders:

Income distribution by the REIT (which is exempted at the REIT's level under Section 61A of the ITA) will be as follows:

a) Non-resident companies - withholding tax at 24% (final tax)
b) Non-resident unitholders other than companies (including individuals) - 30% of chargeable income. There is no withholding tax and the non-resident unitholders are required to file the Malaysian Income Tax Returns and report the distribution of income from the REIT.

B10. STATUS OF CORPORATE PROPOSALS

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

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

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

b) Axis-REIT had obtained the approval for the proposed renewal of the authority to allot and issue new units in Axis-REIT of up to 20% of the issued fund size of Axis-REIT to facilitate a placement exercise from the unitholders at the 14th annual general meeting of Axis-REIT convened and held on 30 April 2026.

B11. FINANCING

	Current Financial Period Ended 30.6.2026 (RM'000)	Preceding Financial Year Ended 31.12.2025 (RM'000)
Short term financing		
- Secured Islamic revolving credit/ Islamic Term Financing/ Secured Islamic Medium Term Notes/ denominated in MYR	572,500	797,727
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	1,230,887	935,809

B12. DERIVATIVES

As at 30 June 2026, the Trust has the following Islamic Profit Rate Swap ("IPRS") to hedge against the fluctuation of future movement in profit rate on its financings. Axis-REIT is currently using the said IPRS to hedge against its financings and the unrealised loss of the derivatives had been recognised in the profit or loss:

	Notional Value RM'000	Fair Value RM'000	Maturity
IPRS – derivative liabilities	310,000	(4,587)	More than 3 years

B13. MATERIAL LITIGATION

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

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

a) unpaid rental due and owing under the lease agreement for the period of March 2023 to 7 June 2023 of RM3,792,276.43;
b) compensation charges of RM703,966.14 as at 7 June 2023 and continuing on the sum of RM3,792,276.43 at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
c) amount equivalent to the rental for the whole unexpired period of the lease term from 8 June 2023 until 29 December 2029 as agreed liquidated damages of RM105,396,516.60 and its related compensation charges at the rate of 1.5% per month on daily basis from 8 June 2023 until the date of full and final realisation;
d) legal charges and reimbursements as at the date of filing of the writ in the sum of RM236,954.77;
e) costs on a solicitor-client basis; and
f) such further and/or other relief which the Court deems fit and proper.

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

The Trustee had on 20 December 2023 filed a proof of debts to the judicial managers of YHL for the total outstanding sum (including the compensation charges and the claimed sum as listed as items (a) to (d) above). On 23 August 2024, liquidators were appointed for YHL by way of an order made by the High Court of Singapore. On 11 November 2024, a creditors' meeting was held and a committee of inspection was appointed.

A joint and several liquidators were appointed for the creditors' voluntary winding-up of YESB at the creditors meeting held on 21 February 2024. An annual creditors' meeting was subsequently held on 17 April 2026 to present the liquidators' account of their acts and dealings, and the conduct of the winding up in compliance with the Companies Act, 2016. On 20 May 2026, the liquidator of YESB issued the notice of admission and rejection of the proof of debts ("POD") (which was affirmed on 16 February 2024) whereby they admitted Axis-REIT's claim to the extent of RM44,408,910.00 but rejected the claim on a portion of the liquidated damages to the extent of RM82,732,557.40, being the agreed rental for the unexpired term from 13 December 2024 to 29 December 2029. The Trustee has on 9 June 2026 filed in the High Court the application together with the affidavit in support to reverse and/or vary the decision of the liquidator. The liquidator has on 24 June 2026 filed their affidavit in reply ("liquidator's affidavit") and on 9 July 2026, the Trustee submitted the affidavit in reply to the liquidator's affidavit. The Court has fixed the application to be heard on 27 October 2026.

B14. SOFT COMMISSION RECEIVED

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

B15. PROFIT FOR THE QUARTER/PERIOD

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.6.2026 RM'000	Preceding Year Corresponding Quarter 30.6.2025 RM'000	Current Year To date 30.6.2026 RM'000	Preceding Year To date 30.6.2025 RM'000
Profit for the quarter/period is arrived at after crediting / (charging):				
Profit income	391	350	639	739
Gain on disposal of investment property	-	867	-	867
Islamic financing costs	(17,676)	(17,741)	(34,972)	(35,495)
Depreciation of equipment	(70)	(72)	(138)	(153)
Reversal of / (provision for) doubtful debts	179	-	(95)	7
Fair value change on derivatives	(213)	(4,532)	3,059	(5,957)

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

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

	Current Quarter Ended 30.6.2026	Immediate Preceding Quarter Ended 31.3.2026
Number of units in issue (units)	2,024,894,950	2,024,894,950
EPU (realised) (sen)	2.32	2.46
EPU (include unrealised income) (sen)	2.28	2.63
Net realised income for the period (RM'000)	46,959	49,870
Distribution per unit (DPU) (sen)	2.30	2.50
Net Asset Value (NAV) (RM'000)	3,416,653	3,420,978
NAV Per Unit (RM)	1.6873	1.6895
Market Value Per Unit (RM)	2.04	1.92

B17. RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of Axis-REIT as at 30 June 2026 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 30 July 2026.

BY ORDER OF THE BOARD

REBECCA LEONG SIEW KWAN
Chartered Secretary
AXIS REIT MANAGERS BERHAD
(200401010947 (649450-W))
(As the Manager of AXIS REAL ESTATE INVESTMENT TRUST)

Petaling Jaya
30 July 2026