

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.12.2025 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2024 RM'000
ASSETS		
Non-Current Assets		
Investment properties	5,237,020	5,090,820
Equipment	1,149	1,112
Total Non-Current Assets	5,238,169	5,091,932
Current Assets		
Receivables, deposits and prepayments	40,214	22,937
Islamic deposits placed with licensed banks (pledged)	25,564	19,484
Cash and cash equivalents	52,346	101,205
	118,124	143,626
Asset classified as held for sale	-	23,000
Total Current Assets	118,124	166,626
TOTAL ASSETS	5,356,293	5,258,558
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	80,381	71,870
Deferred tax liability	21,639	20,283
Financing	935,809	934,944
Total Non-Current Liabilities	1,037,829	1,027,097
Current Liabilities		
Payables and accruals	97,280	116,865
Financing	797,727	815,500
Total Current Liabilities	895,007	932,365
TOTAL LIABILITIES	1,932,836	1,959,462
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	2,599,605	2,574,166
Distributable income	43,597	14,269
Non-distributable reserves	780,255	710,661
	3,423,457	3,299,096
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	5,356,293	5,258,558
NET ASSET VALUE	3,423,457	3,299,096
NUMBER OF UNITS IN CIRCULATION	2,024,894,950	2,010,492,159
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.6907	1.6409
- After income distribution	1.6632 (Note 1)	1.6282

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

Note 1 – Being Net Asset Value Per Unit after reflecting the realised income to be distributed as final income distribution of 2.75 sen per unit payable on 27 February 2026.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2025	Preceding Year Corresponding Quarter 31.12.2024	Current Year To date 31.12.2025	Preceding Year To date 31.12.2024
	RM'000	RM'000	RM'000	RM'000
TOTAL TRUST INCOME *	91,308	87,764	364,197	320,104
Property income	90,503	87,427	362,043	319,034
Lease incentive adjustment (non-distributable) **	(422)	(502)	(457)	(554)
Unbilled lease income receivable ***	850	1,182	3,400	3,674
Less : Assessment	90,931	88,107	364,986	322,154
Quit rent	(2,136)	(1,909)	(8,474)	(7,670)
Other property operating expenditure	(474)	(476)	(1,883)	(1,908)
	(9,675)	(9,376)	(38,418)	(35,959)
Net property income	78,646	76,346	316,211	276,617
Profit and other income	1,227	839	2,611	1,624
Net (loss)/gain on disposal of investment property #	-	(2,428)	867	(2,428)
Change in fair value of investment properties	86,287	49,412	86,287	49,412
Unbilled lease income ***	(850)	(1,182)	(3,400)	(3,674)
Fair value change on derivatives	1,919	1,985	(4,156)	(2,669)
Net gain on financial liabilities measured at amortised cost	(2,681)	292	(2,021)	3,576
NET PROPERTY AND INVESTMENT INCOME	164,548	125,264	396,399	322,458
Manager's fees	8,470	7,821	33,464	28,999
Trustee's fees	271	237	1,069	918
Depreciation	68	82	288	359
Auditors' fees	46	40	185	160
Tax agent's fee	4	5	19	18
(Reversal of)/provision for doubtful debts	-	522	(7)	536
Administrative expenses	2,120	1,515	5,349	4,493
Islamic financing cost ##	17,696	21,493	71,398	74,433
NON-PROPERTY EXPENSES	28,675	31,715	111,765	109,916
NET TRUST INCOME	135,873	93,549	284,634	212,542
INCOME TAX EXPENSES				
- RPGT on disposal of investment property (realised) #	-	(557)	(1,202)	(557)
- Reversal of deferred tax provision	-	-	645	-
- Provision of deferred tax ###	(2,001)	(1,979)	(2,001)	(1,979)
NET INCOME FOR THE QUARTER /PERIOD	133,872	91,013	282,076	210,006

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Current Year To date 31.12.2025 RM'000	Preceding Year To date 31.12.2024 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE QUARTER/PERIOD	133,872	91,013	282,076	210,006
EARNINGS PER UNIT (EPU) (sen) @	6.62	4.99	13.96	11.80
NET INCOME FOR THE QUARTER /PERIOD IS MADE UP AS OLLOWS:				
Realised				
- property income	50,770	42,362	204,981	162,777
- lease incentive adjustment (non-distributable) **	(422)	(502)	(457)	(554)
- RPGT on disposal of investment properties #	-	(557)	(1,202)	(557)
Unrealised - change in fair value of investment properties	86,287	49,412	86,287	49,412
Unrealised - Net gain on financial liabilities measured at amortised cost	(2,681)	292	(2,021)	3,576
Unrealised - Fair value change on derivatives	1,919	1,985	(4,156)	(2,669)
Unrealised – Provision/(reversal) of deferred tax provision ###	(2,001)	(1,979)	(1,356)	(1,979)
	133,872	91,013	282,076	210,006

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

* The total trust income is for performance review purposes, it comprises property income (including lease incentive adjustment) and profit 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.

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

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

- ### Provision of deferred tax (unrealised) on Real Property Gains Tax (“RPGT”) exposure on the fair value gain on investment properties.
- @ EPU for the current quarter/period is computed based on net income for the quarter/year divided by weighted average number of units of 2,021,222,092 units and 2,018,520,806 units, respectively. EPU for preceding year corresponding quarter/year is based on weighted average number of units of 1,873,274,768 units and 1,779,109,645 units, respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2024 TO 31 DECEMBER 2024 (AUDITED)

	Total Unitholders' Capital RM'000	<i>Distributable</i> Realised Income RM'000	<i>Non-Distributable</i> 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)	-
<i>Total comprehensive income for the year</i>	-	164,717	45,289	210,006
Contributions by and distributions to unitholders				
Issuance and placement of units	449,730	-	-	449,730
Issuing expenses	(4,904)	-	-	(4,904)
Distribution to unitholders	-	(181,738)	-	(181,738)
<i>Total transactions with unitholders</i>	444,826	(181,738)	-	263,088
At 31 December 2024	2,574,166	14,269	710,661	3,299,096

AXIS REAL ESTATE INVESTMENT TRUST

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

FROM 1 JANUARY 2025 TO 31 DECEMBER 2025 (UNAUDITED)

	Total Unitholders' Capital RM'000	Distributable Realised Income RM'000	Non-Distributable 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 year	-	203,322	78,754	282,076
Realisation of unrealised income	-	9,160	(9,160)	-
<i>Total comprehensive income for the year</i>	-	212,482	69,594	282,076
Contributions by and distributions to unitholders				
Issuance and placement of units	25,885	-	-	25,885
Issuing expenses	(446)	-	-	(446)
Distribution to unitholders #	-	(183,154)	-	(183,154)
<i>Total transactions with unitholders</i>	25,439	(183,154)	-	(157,715)
At 31 December 2025	2,599,605	43,597	780,255	3,423,457

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

Includes the payment of final income distribution amounting to 1.27 sen per unit for the financial year 2024 and the first, second and third interim income distributions for financial year 2025 of 2.50 sen per unit, 2.65 sen per unit and 2.65 sen per unit, which were paid on 25 March 2025, 30 May 2025, 29 August 2025 and 19 December 2025 respectively.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED)

	Current Year To Date 31.12.2025 RM'000	Preceding Year To Date 31.12.2024 RM'000
Cash flows from operating activities		
Net income before taxation	284,634	212,542
Adjustments for :-		
Islamic financing cost	71,398	74,433
Profit and other income	(2,611)	(1,624)
(Gain)/loss on disposal of investment property	(867)	2,428
Change in fair value of investment properties	(86,287)	(49,412)
Depreciation of equipment	288	359
Loss/(gain) on financial liabilities measured at amortised cost	2,021	(3,576)
(Reversal of)/impairment losses on trade receivables	(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
Cash generated from operations	238,204	306,577
Cash flows from investing activities		
Profit and other income received	2,611	1,624
Enhancement of investment properties	(20,501)	(49,136)
Acquisition of investment property	(39,412)	(730,152)
Acquisition of equipment	(325)	(80)
Net proceeds from disposal of investment property	23,867	156,572
RPGT on the gain on disposal of investment property	(1,202)	(557)
Pledged 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)
(Repayment of) / proceeds from financing, net	(18,096)	194,203
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

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025 (UNAUDITED) (CONT'D)

	Current Year To Date 31.12.2025 RM'000	Preceding Year To Date 31.12.2024 RM'000
Net decrease in cash and cash equivalents	(48,859)	68,973
Cash and cash equivalents at beginning of year	101,205	32,232
Cash and cash equivalents at end of year	<u>52,346</u>	<u>101,205</u>

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

NOTES TO THE QUARTERLY REPORT

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

A1. BASIS OF PREPARATION

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

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

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

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

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

A4. UNUSUAL ITEMS

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

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND SHARIAH-COMPLIANT EQUITY SECURITIES

Save as disclosed in Note A11 below, there were no issuances, cancellation, repurchase, resale and payment of debt and Shariah-compliant equity securities for the current quarter.

A7. INCOME DISTRIBUTION

During the quarter under review, the 2025 third interim income distribution of 2.65 sen per unit, totaling RM53,550,000 in respect of the period from 1 July 2025 to 30 September 2025 was paid on 19 December 2025.

Axis REIT Managers Berhad, the management company of Axis-REIT (“Manager”) has proposed to distribute 99% from realised income available for distribution generated from operations for the period from 1 October 2025 to 31 December 2025 of 2.75 sen per unit, which includes a non-taxable portion of approximately 1.41 sen per unit derived from capital allowances, industrial building allowances, tax-exempt profit income and the final partial distribution of net gain on disposal of The Annex which is not subject to tax, as the 2025 final income distribution.

The 2025 final income distribution will be payable on 27 February 2026 and the book closure date is 13 February 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.
- b) A SPA has been executed on 26 February 2025 for the proposed disposal by Axis-REIT of The Annex in Petaling Jaya, Selangor for a proposed disposal consideration of RM24,200,000. The disposal was completed on 30 April 2025.
- c) A SPA has been executed on 1 August 2025 for the proposed acquisition by Axis-REIT of a warehouse facility in Telok Gong, Port Klang, Selangor for a proposed purchase consideration of RM80,000,000. This proposed acquisition is still pending completion.
- d) A SPA has been executed on 4 September 2025 for the proposed acquisition by Axis-REIT of an 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.
- e) A conditional letter of offer in relation to the proposed acquisition of an industrial property within Seberang Perai Tengah, Penang by Axis-REIT for a proposed purchase consideration of RM800,000,000 had been duly accepted by the vendor on 6 November 2025.
- f) 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.

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

Axis-REIT's fund size was increased from 2,020,774,182 units to 2,024,894,950 units during the quarter under review with the issuance of 4,120,768 new units pursuant to the implementation of the Income Distribution Reinvestment Plan ("IDRP") applicable to the 2025 third interim income distribution completed on 22 December 2025.

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 31 December 2025 (“4Q2025”), Axis-REIT registered a total trust income of RM91,308,000. The realised net income from operations was RM50,348,000 after deducting total expenditure of RM40,960,000, of which RM12,285,000 were attributable to property expenses and RM28,675,000 to non-property expenses.

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

The total net asset value stood at RM3,423,457,000 and the net asset value per unit (before 2025 final income distribution) was RM1.6907.

Full Year Results

For the financial year ended 31 December 2025, Axis-REIT recorded a total revenue of RM364,197,000. The realised net income generated from operations was RM203,322,000 after deducting total expenditure of RM161,742,000, of which RM48,775,000 were attributable to property expenses and RM111,765,000 to non-property expenses, and RPT effect on the gain on disposal of investment property (details to refer to statement of profit or loss on page 3).

A total of RM157,620,000 was declared as the 2025 first, second and third interim income distributions which translated to 7.80 sen per unit, which were paid on 30 May 2025, 29 August 2025 and 19 December 2025 respectively.

Axis-REIT has further set aside RM55,685,000 (approximately 99% of total income available for distribution in respect of the period from 1 October 2025 to 31 December 2025) as the 2025 final income distribution which translates to 2.75 sen per unit.

Maintenance costs & major capital expenditure

During the financial year ended 31 December 2025, a total of RM20,501,000 has been incurred, of which RM13.9 million was incurred for enhancement of the properties of Axis-REIT and RM6.6 million was incurred for the extension of leasehold period of a property.

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

	Current Year Quarter 31.12.2025 RM'000	Immediate Preceding Quarter 30.9.2025 RM'000	%
Property income	90,503	92,379	-2%
Less : Property expenses	(12,285)	(12,741)	-3.6%
Net property income	78,218	79,638	-1.8%
Profit and other income	1,227	645	+90.2%
Less: Non-property expenses (including financing cost)	(28,675)	(27,934)	+2.7%
Net income before lease incentive adjustment (non-distributable)	50,770	52,349	-3%
Lease incentive adjustment, net (Note 1)	(422)	(257)	
Net income before tax (Realised)	50,348	52,092	-3.3%

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 4Q2025, Axis-REIT's property income was RM90,503,000, 2% lower compared to the immediate preceding quarter ("3Q2025") of RM92,379,000 mainly due to lower occupancy.

Property expenses was RM12,285,000, 3.6% lower compared to 3Q2025 of RM12,741,000 mainly due to lower one-off repair costs.

Non-property expenses was RM28,675,000, 2.7% higher compared to 3Q2025 of RM27,934,000 mainly due to newly imposition of SST on manager's and trustee's fees with effect from 1 October 2025 and CSR expenses in 4Q2025.

During the quarter under review, net income before lease incentive adjustment was RM50,770,000, 3% lower compared to 3Q2025 of RM52,349,000, mainly due to lower property income.

B3. PROSPECTS

The Manager is optimistic that in view of the satisfactory performance of Axis-REIT's existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its current performance for the coming 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 2024 Integrated Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, the property portfolio size of Axis-REIT increased from 68 to 69 as at 31 December 2025 with the inclusion of Axis Facility 4 @ Bukit Raja as detailed in Note A10(a) above.

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

Net proceeds of RM8.18 million had been raised from 4,120,768 new units issued pursuant to the IDRPs completed in December 2025. The net proceeds had been used to finance enhancement of properties and payment of premiums/considerations for the extension of lease period of a leasehold property.

B8. INCOME DISTRIBUTION

Distribution to unitholders is from the following sources:

	Current Year Quarter 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Current Year To date 31.12.2025 RM'000	Preceding Year To date 31.12.2024 RM'000
Gross rental income	90,081	86,925	361,586	318,480
Profit and other income	1,227	839	2,611	1,624
	91,308	87,764	364,197	320,104
Add: Gain on disposal of investment property	-	-	867	-
Less: Expenses	(40,960)	(43,476)	(160,540)	(155,453)
Less: Loss on disposal of investment property	-	(2,428)	-	(2,428)
Less: RPGT on disposal of investment property	-	(557)	(1,202)	(557)
Realised income for the period	50,348	41,303	203,322	161,666
Add: Realisation of unrealised income (upon disposal of investment property)	-	3,051	9,160	3,051
Less: Non-cash items	490	523	738	866
Total realised income available for the period	50,838	44,877	213,220	165,583
Add: Brought forward undistributed realised income available for distribution	5,384	501	622	372
Total realised income available for distribution	56,222	45,378	213,842	165,955
Less: Proposed/declared income distribution for the quarter/period	(55,685)	(44,756)	(213,305)	(165,333)
Balance undistributed realised income available for distribution	537	622	537	622
Distribution per unit (sen)	2.75	2.37	10.55	9.27

B9. TAXATION

Trust Level

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

Thus, based on the income distribution for the twelve-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

Prior to expiry of tax concession:

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates were applicable on distributions of income by REIT:

Resident unitholder :

- Resident company - distributions declared in tax returns and taxed at resident company level.
- Unitholder (other than a resident company) - Withholding tax at 10%

Non-resident unitholder :

- Non-resident company - Withholding tax at 24%
- Non-resident institutional investor - Withholding tax at 10%
- Non-resident (other than company and institutional investors) - Withholding tax at 10%

B9. TAXATION (continued)

Current:

The withholding tax concession previously applicable to income distributions by Malaysian REITs expired on 31 December 2025. As at the date of this report, no confirmation has been received from the Ministry of Finance on the extension or continuation of such concession.

Accordingly, the tax treatment of income distributions by the Malaysian REITs to unitholders (especially foreign individuals and foreign institutional investors) is still subject to clarification by the tax authorities. In the absence of applicable guidelines:

- a. Resident unitholders - Income distributions received may be subject to tax based on the respective unitholder's tax profiles and the applicable provisions of the Income Tax Act, 1967 ("ITA"); and
- b. Non-resident unitholders - Income distributions received may be subject to withholding tax at the prevailing tax rates prescribed under the ITA if such rates come into effect prior to the payment date of the income distribution.

The above is subject to any future clarification or directive issued by the Ministry of Finance and / or the Inland Revenue Board of Malaysia.

B10. STATUS OF CORPORATE PROPOSALS

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

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

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

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

B11. FINANCING

	Current Financial Period Ended 31.12.2025 (RM'000)	Preceding Financial Year Ended 31.12.2024 (RM'000)
Short term financing		
- Secured Islamic revolving credit/ Secured Islamic Medium Term Notes/ Islamic Term Financing denominated in MYR	797,727	815,500
Long term financing		
- Secured Islamic Medium Term Notes/ Islamic Term Financings denominated in MYR	935,809	934,944

B12. DERIVATIVES

As at 31 December 2025, the Trust has the following Islamic Profit Rate Swap (“IPRS”) to hedge against the fluctuation of future movement in profit rate on its financings. Axis-REIT is currently using the said IPRS to hedge against its financings and the unrealised loss of the derivatives had been recognised in the profit or loss:

	<u>Notional Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>	<u>Maturity</u>
IPRS – derivative liabilities	310,000	(7,646)	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).

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

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

B14. SOFT COMMISSION RECEIVED

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

B15. PROFIT FOR THE QUARTER/YEAR

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2025 RM'000	Preceding Year Corresponding Quarter 31.12.2024 RM'000	Current Year To date 31.12.2025 RM'000	Preceding Year To date 31.12.2024 RM'000
Profit for the quarter/year is arrived at after crediting / (charging):				
Profit income	521	839	1,905	1,624
Islamic financing costs	(17,696)	(21,493)	(71,398)	(74,433)
Depreciation of equipment	(68)	(82)	(288)	(359)
(Provision)/reversal of doubtful debts	-	(522)	7	(536)
(Loss)/gain on disposal of investment property	-	(2,428)	867	(2,428)
Fair value change on derivatives	1,919	1,985	(4,156)	(2,669)
Change in fair value of investment properties	86,287	49,412	86,287	49,412

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 31.12.2025	Immediate Preceding Quarter Ended 30.9.2025
Number of units in issue (units)	2,024,894,950	2,020,774,182
EPU (realised) (sen)	2.49 ⁽¹⁾	2.58 ⁽³⁾
EPU (include unrealised income) (sen)	6.62 ⁽¹⁾⁽²⁾	2.58 ⁽³⁾
Net realised income for the period (RM'000)	50,348	52,092
Distribution per unit (DPU) (sen)	2.75	2.65
Net Asset Value (NAV) (RM'000)	3,423,457	3,334,950
NAV Per Unit (RM)	1.6907	1.6503
Market Value Per Unit (RM)	1.92	2.05

(1) Based on average number of units in issue. The total number of units issued was increased from 2,020,774,182 units to 2,024,894,950 units with the successful issuance and listing of 4,120,768 new units arising from IDRPs completed on 22 December 2025.

(2) Include the change in fair value of investment property of RM86,287,000 which has been recognised in the financial year ended 2025.

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

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 31 December 2025 and of its financial performance and cash flows for the quarter/year ended on that date and duly authorised for release by the Board of the Manager on 28 January 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

28 January 2026