

MANAGER'S DISCUSSION AND ANALYSIS

CEO's Review

2024 was a sweet spot for Axis-REIT – amid a convergence of economic tailwinds and strategic opportunities, we achieved record property acquisitions, successfully completed our fifth development project, and delivered solid operating results, which lifted the Fund's revenue and operating income.

Our achievements of 2024 were the culmination of years of consistent planning, prudent capital management, disciplined investments, and strategic positioning of the Fund.

Our Investments Team was able to secure and complete a record 8 acquisitions for a total consideration of RM719.4 million, growing our hypermarket, logistics, and manufacturing segments, and strengthening our presence in key industrial hubs around the Klang Valley. Meanwhile, we completed the development of the 509,040 sq. ft. Axis Mega Distribution Centre (Phase 2), a green building-certified, multi-tenanted logistics warehouse that had achieved 37.5% occupancy as at 31 December 2024, and full occupancy in January 2025. The completion of Axis Mega Distribution Centre (Phase 2) concluded the development of the property parcel, creating an industrial cluster that facilitates scale and a potential collaborative logistics ecosystem.

Netting off the sale of Axis Steel Centre @ SiLC, the Fund's portfolio count grew to 69 properties with 15.15 million sq. ft. of space under management as at 31 December 2024 – up 13.5% from 13.35 million sq. ft. across 62 properties a year earlier.

Amid buoyant operating conditions, the Real Estate Team locked in tenancy renewals for 82.8% of space that had come up for renewal during the year, as well as new tenancies for 9.3% of the space. These efforts kept the portfolio occupancy rate at 95% as at 31 December 2024 – in line with our target

of keeping it above 90%. We also achieved a 5.3% positive rental reversion across the portfolio during the year, with portfolio WALE holding steady, at 4.9 years (by rental).

We continued to forge ahead in our sustainability journey in 2024, implementing sustainability initiatives in our day-to-day operations, and including ESG considerations in assessing acquisition targets, development projects, and AEs. These efforts have contributed to the resilience of our portfolio and underpinned our progress towards our sustainability targets, including securing our sixth green building certification during the year.

We also continued to place priority in obtaining sustainability-linked financing, progressively converting our existing financing to sustainability-linked facilities through the year. As a result of these efforts, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 incorporated sustainability-linked mechanisms. We met the pre-agreed sustainability performance targets (SPTs) embedded in our financing and were consequently granted rebates on the facilities' profit rates in accordance with the financing terms.

2024 SUSTAINABILITY ACHIEVEMENTS

- 1 Secured **final GreenRE Bronze certification** for Axis Aerotech Centre @ Subang
- 2 Secured **final GreenRE Gold and Silver certifications** for Axis Mega Distribution Centre (Phase 2) and Axis Mega Distribution Centre (Phase 1) respectively
- 3 Secured **final GreenRE Gold certification** for Bukit Raja Distribution Centre 2
- 4 **Surpassed energy consumption and GHG emissions reduction targets** for our multi-tenanted properties
- 5 Incorporated sustainability considerations in **8 out of the 8 key AEs** undertaken in 2024
- 6 **Secured 3 additional green leases** during the year, namely for Axis Mega Distribution Centre (Phase 2), bringing our total green leases to 4

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Our ESG initiatives, along with continued adherence to reporting and disclosure guidelines have been acknowledged by sustainability benchmarks and leading index providers. This has maintained the Fund's inclusion in various sustainability indices, including the FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index, and secured respectable sustainability ratings by GRESB, Morningstar and MSCI.

In addition to the operational and financing sustainability initiatives, we also conducted a climate-related risks and opportunities assessment during the year to identify and prioritise our climate-related matters. This assessment forms the basis for our climate scenario analysis in 2025, which is an essential step towards meeting the IFRS S2.

Our robust investments, operational, and development achievements lifted the Fund's 2024 revenue to RM322.15 million – an 11.7% increase over that of 2023 and the highest on record to date. The strong topline growth lifted net property income by 12.7% to RM276.6 million. Concurrently, the Fund declared a DPU of 9.27 sen for the financial year 2024, which translated to a 99.6% payout ratio for the year and a yield of 5.4% based on the Fund's closing Unit price as at 31 December 2024.

The Fund concluded its tenth private placement exercise during the year, which was its largest to date. The exercise saw the issuance and placement of 263 million new Units to various institutional investors, raising RM449.73 million in gross proceeds that were used to pare down existing financing. The private placement exercise and the expansion in AUM kept the Fund's financing rate at 33.3% (2023: 34.4%), giving the Fund headroom to take on a further RM878 million in financing for future acquisitions and development opportunities.



Bukit Raja Distribution Centre and Bukit Raja Distribution Centre 2

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2024 FINANCIAL PERFORMANCE HIGHLIGHTS

Axis-REIT's KPIs reflect the Fund's remarkable performance in 2024, with solid results across its operational, portfolio management, and financial metrics.



REVENUE

RM322.1 million

FYE2023: RM288.4 million



NET ASSET VALUE

RM3.30 billion

FYE2023: RM2.83 billion



NET PROPERTY INCOME

RM276.6 million

FYE2023: RM245.4 million



RENTAL REVERSION

+ 5.3%

FYE2023: + 5.8%



NET INCOME BEFORE TAX

RM212.5 million

FYE2023: RM221.6 million



REVALUATION GAIN ON PORTFOLIO

RM49.4 million

FYE2023: RM81.3 million



NET INCOME AFTER TAX

RM210.0 million

FYE2023: RM217.8 million



ASSETS UNDER MANAGEMENT (AUM)

RM5.26 billion

FYE2023: RM4.52 billion



PORTFOLIO OCCUPANCY RATE

95%

FYE2023: 97%



SPACE UNDER MANAGEMENT

15.2 million sq. ft.

FYE2023: 13.4 million sq. ft.



DPU

9.27 sen

FYE2023: 8.65 sen



AVERAGE RENTAL COLLECTION PERIOD

1 Day

FYE2023: 1 Day

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Financial Review

2024 was an exceptional year for Axis-REIT. Despite concerns over slower manufacturing growth and a weak external sector at the start of the year, the Fund delivered strong operational, portfolio management, and financial results.

Throughout the year, we actively sought suitable investment opportunities for the Fund, and our efforts resulted in the successful completion of 8 property acquisitions during 2024.

We also completed the disposal of Axis Steel Centre @ SiLC, which resulted in a net gain of RM66,000. Net of this disposal, the Fund's property portfolio rose from 62 properties at the end of 2023, to 69 properties as at 31 December 2024.

In 2024, Axis-REIT recorded its highest revenue to date, at RM322.15 million, reflecting an increase of RM33.74 million or 11.7% over that of 2023. The increase was attributable to additional revenue from new acquisitions, full year rental income from the development project that was completed in the prior financial year, as well as healthy rental reversions across the portfolio during the year.

Property expenses inched higher, to RM45.54 million in 2024, from RM42.98 million in the preceding year, with the RM2.56 million or 6% increment reflective of the Fund's enlarged property portfolio. That said, the Fund's cost to revenue ratio, at 14.1% in 2024, was down 5.4% from 2023. During the year under review, net property income increased by 12.7% year-on-year (yoy) to RM276.62 million (2023: RM245.43 million).

The Fund declared a DPU of 9.27 sen for the financial year 2024 (2023: 8.65 sen) with total income distribution amounting to RM165.33 million (2023: RM150.76 million), translating to a payout ratio of 99.6% for the full year. The total DPU represents an annual distribution yield of 5.4% based on Axis-REIT's closing Unit price of RM1.73 on 31 December 2024.

We continue to be disciplined in our selection of acquisitions and development projects, seeking properties that fit our investment strategy, offer yield accretion to lift earnings, and have potential for future development and significant capital appreciation.

The success of this strategy is reflected in the continued appreciation in the appraised value of the Fund's investment properties, which increased by RM49.4 million in 2024. This demonstrates the quality of the portfolio and the strength of its underlying performance, as well as the solid fundamentals of strategically-located, modern industrial properties, which continue to see resilient demand and limited supply.

In supporting our growth ambitions, we proactively manage our balance sheet to ensure we have sufficient liquidity to meet our operational and investment needs. During 2024, we continued to incorporate sustainability as a priority in our capital management strategy and successfully secured RM110.0 million in additional sustainability-linked financing facilities during the year. Following our efforts to convert our existing financing facilities to sustainability-linked financing through the year, approximately 90% of our committed financing (excluding Sukuk) as at 31 December 2024 was structured with sustainability-linked features.

KEY HIGHLIGHTS

Financial Year Ended 31 December	2024	2023
Revenue (RM'000)	322,154	288,410
Net property income (RM'000)	276,617	245,433
Net realised income (RM'000)	161,666	145,375
Income distribution (RM'000)	165,333	150,756
DPU (sen)	9.27	8.65

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A snapshot of the Fund's key financial results is presented in the table below:

Summary of Results

	2024	2023	2022	2021	2020
Total Revenue (RM'000)	322,154	288,410	284,471	246,195	232,234
Property Operating Expenses (RM'000)	(45,537)	(42,977)	(39,128)	(33,314)	(33,716)
Net Property Income (RM'000)	276,617	245,433	245,343	212,881	198,518
Profit and Other Income (RM'000)	1,624	1,494	797	804	875
Changes in Fair Value of Investment Properties (RM'000)*	45,738	77,399	24,438	63,197	10,796
Net Gain/(Loss) on Financial Liabilities measured at amortised cost** (RM'000)	3,576	(2,627)	4,654	(1,705)	(428)
Net Loss on Disposal of Investment Properties (RM'000)	(2,428)	-	-	-	-
Fair Value Change on Derivatives (RM'000)	(2,669)	(2,463)	2,027	1,746	(905)
Net Property and Investment Income (RM'000)	322,458	319,236	277,259	276,923	208,856
Non-Property Expenses (RM'000)	109,916	97,640	85,209	72,884	66,285
Net Income before Taxation (RM'000)	212,542	221,596	192,050	204,039	142,571
Breakdown of Net Income after Taxation:					
- Realised Income after Taxation (RM'000)	161,666	145,375	157,550	136,211	124,938
- Unrealised Income after Taxation (RM'000)	48,340	72,397	32,817	64,153	17,126
Income Available for Distribution (RM'000)	165,955	151,128	160,238	138,224	126,390
Earnings per Unit (Realised + Unrealised) (EPU) (sen)	11.80	12.50	11.62	13.80	9.86
Income Distribution (RM'000)	165,333	150,756	160,085	137,985	126,203
Distribution Per Unit (DPU) (sen)	9.27	8.65	9.75	9.49	8.75
Distribution Yield (based on closing market price on 31 December) (%)	5.36	4.83	5.45	4.89	4.31
EPU Yield (based on closing market price on 31 December) (%)	6.82	6.98	6.49	7.11	4.86
Management Expense Ratio (MER) (%)	1.25	1.20	1.22	1.25	1.27
Annual Total Return (%)***	1.83	4.83	(2.71)	0.24	19.63
Average Total Return (3 years) (%)	1.32	0.79	5.72	13.09	16.29
Average Total Return (5 years) (%)	4.76	8.28	9.28	9.48	10.07

* After offsetting unbilled lease income receivable.

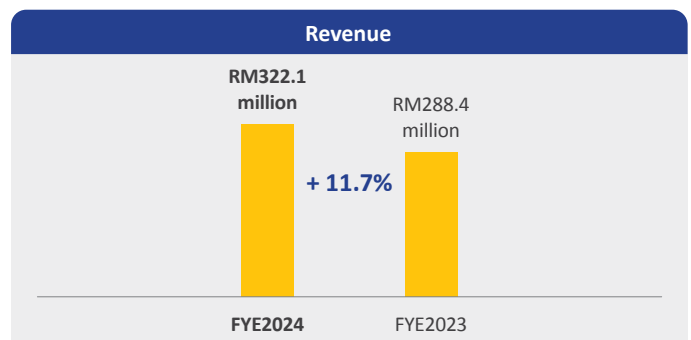
** Unrealised gain/(loss) on discounted tenants' deposits received in compliance with MFRS 139.

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

Revenue: Up 11.7% to RM322.1 million

Axis-REIT posted a revenue of RM322.1 million in 2024, up 11.7% from RM288.4 million in 2023. Growth was mainly driven by incremental revenue from the properties acquired and developed during the year, as well as full year rental contributions from Bukit Raja Distribution Centre 2, our development project that was completed in 2023.

The combined effect of these factors, together with the 5.3% positive rental reversion across the portfolio, offset the impact of a dip in occupancy rates.



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Revenue composition: Rental income accounted for 95.8% of total revenue

Rental income accounted for RM308.5 million or 95.8% of total revenue, while the balance was derived from car park income and other income.

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Rental income*	308,485	276,073	265,016	237,669	224,001
Car park income	5,951	5,754	5,079	4,075	4,615
Other income	7,718	6,583	14,376	4,451	3,618
Total	322,154	288,410	284,471	246,195	232,234

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

Property Operating Expenses: RM2.6 million higher, in line with enlarged space under management and persistent wage inflation

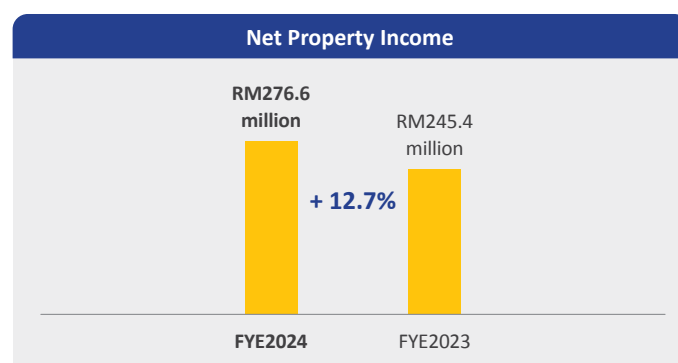
The Fund's property operating expenses increased by 6% yoy to RM45.5 million in 2024, in line with the growth of its property portfolio during the year. Property management expenses, along with assessment and quit rent payments, were the largest expenses, accounting for 23.2% and 21.0% respectively of total property operating expenses. Security and cleaning expenses increased by 12.4% yoy, as we continued with stringent safety and cleaning protocols to ensure the well-being of our tenants at multi-tenanted properties. This, along with wage inflation, were seen as key factors driving up operating expenses.

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
Assessment and quit rent	9,578	8,770	8,056	7,039	6,203
Property Manager's fee and on-site personnel costs	10,583	9,569	9,512	8,467	8,221
Security and cleaning expenses	6,632	5,899	4,980	4,026	4,348
Takaful contributions	1,737	1,585	1,498	1,447	1,451
Maintenance and others	17,007	17,154	15,082	12,335	13,493
Total	45,537	42,977	39,128	33,314	33,716

Net Property Income: Up 12.7% to RM276.6 million

Net property income for 2024 rose 12.7% from a year earlier, to RM276.6 million in 2024, vs. RM245.4 million in 2023.

The increase reflected the higher revenue achieved during the year.



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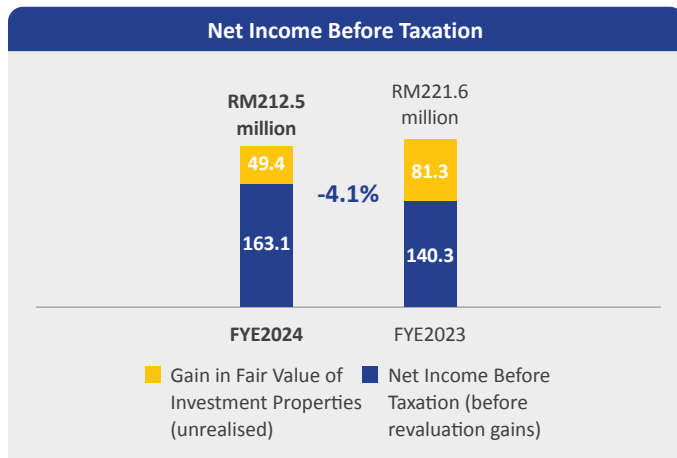
Net Income Before Taxation: Down 4.1% due to lower revaluation gains recognised in 2024

Axis-REIT recorded a net income before taxation of RM212.5 million for 2024, a 4.1% decrease from the previous financial year.

This reflected smaller unrealised gains in the fair value of investment properties, which amounted to RM49.4 million in 2024, against RM81.3 million in the preceding year.

The Fund's DPU was not affected by the smaller revaluation gains which are unrealised and non-cash in nature.

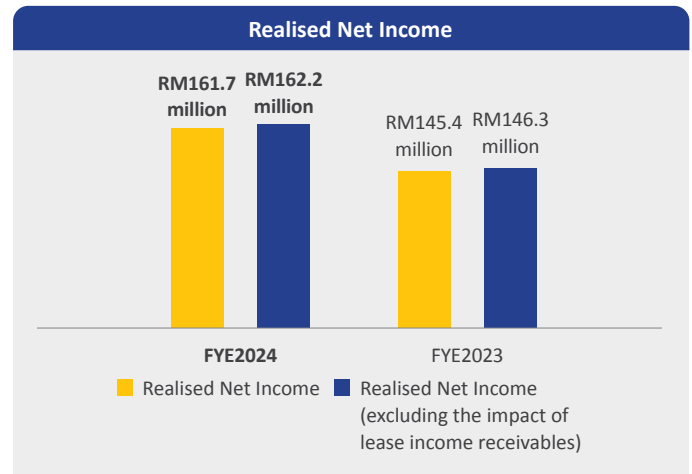
Excluding the revaluation gains, Axis-REIT's adjusted net income before taxation in 2024 would have been RM163.1 million, up 16.3% from RM140.3 million in 2023.



Realised Net Income excluding lease incentive adjustments: Up 10.9% at RM162.2 million

Axis-REIT's realised net income after taxation, including the impact of lease incentive adjustments pursuant to MFRS 16, increased by 11.2% to RM161.7 million in 2024.

Excluding the impact of lease incentive adjustments, net income for 2024 would have amounted to RM162.2 million against RM146.3 million in 2023 – a healthy 10.9% increase from the previous year, in line with the Fund's top line growth.



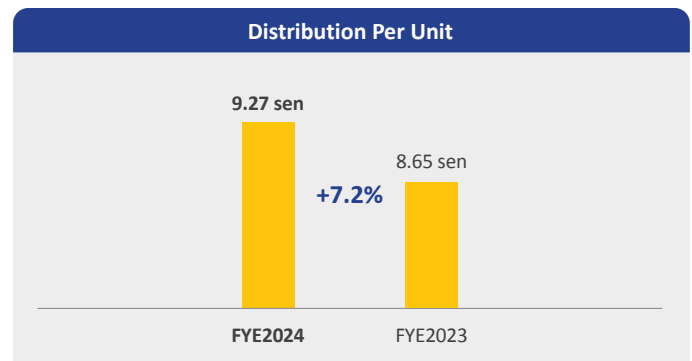
DPU: 9.27 sen, translating to an attractive distribution yield of 5.4%

The Fund's distributable income for the financial year 2024 amounted to RM166.0 million. The Fund undertook to distribute RM165.3 million, translating to a payout ratio of 99.6%.

The Fund declared a total DPU of 9.27 sen for the financial year 2024, up 7.2% from 8.65 sen declared in the preceding year.

2024's DPU translated to a commendable distribution yield of 5.4% based on Axis-REIT's closing Unit price of RM1.73 on 31 December 2024.

Considering the Fund's total distributions paid out since its IPO and its Unit price appreciation from RM0.625 (equivalent to RM1.25 per Unit prior to the Unit Split) at its IPO to RM1.73 as at 31 December 2024, Axis-REIT's cumulative returns to Unitholders since its listing have exceeded 400%.



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The Fund offered an IDRP for FYE2024, applicable to its final DPU of 1.27 sen, of which 0.53 sen was taxable and 0.74 sen was non-taxable in the hands of Unitholders. The 2024 IDRP gave Unitholders the option to either :

- a) reinvest the electable portion of 1.27 sen in new Units of the Fund, or
- b) reinvest a partial electable portion of 0.64 sen in new Units of the Fund and receive the balance portion of 0.63 sen in cash, or
- c) choose not to participate in the IDRP option and receive the entire final DPU of 1.27 sen in cash.

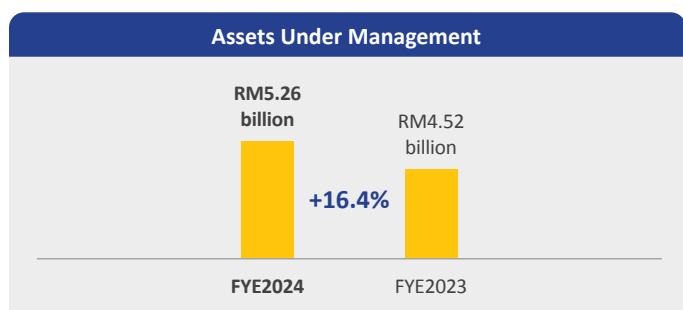
The 2024 IDRP was offered to Unitholders at an attractive price of RM1.70 per Unit, pricing it at a 4.2% discount to the 5-day volume weighted average market price of the Fund's Units. The entitlement date for the 2024 IDRP was set for 19 February 2025, with allotment of IDRP Units and payout scheduled for 25 March 2025. The 2024 IDRP exercise is expected to be completed with the listing of IDRP Units on Bursa Securities on 26 March 2025.

Total Assets: Up 16.4% to RM5.26 billion

Axis-REIT maintained a strong financial position in 2024 that positions it for growth in the years to come.

Disciplined investments over the past 19 years have driven continued growth in the Fund's real estate AUM, which rose by a record 16.4% during the year to RM5.26 billion as at 31 December 2024, breaching the RM5 billion mark for the first time since its listing.

Investment properties made up RM5.11 billion or 97% of the Fund's AUM, which comprised 63 industrial properties, 3 hypermarkets, and 3 office buildings that are strategically located in key industrial hubs and thriving satellite commercial centres around Peninsular Malaysia.



Portfolio Yield: Average net yield stable at 7.7%

Rental yields for the Fund's portfolio remained stable in 2024, with average gross and net yields of 8.9% and 7.7% respectively, largely unchanged from 2023.

Hypermarkets and manufacturing facilities garnered the highest net yields at 8.2%, followed by logistics warehouse and office industrial properties, at 7.8% and 6.9% respectively.

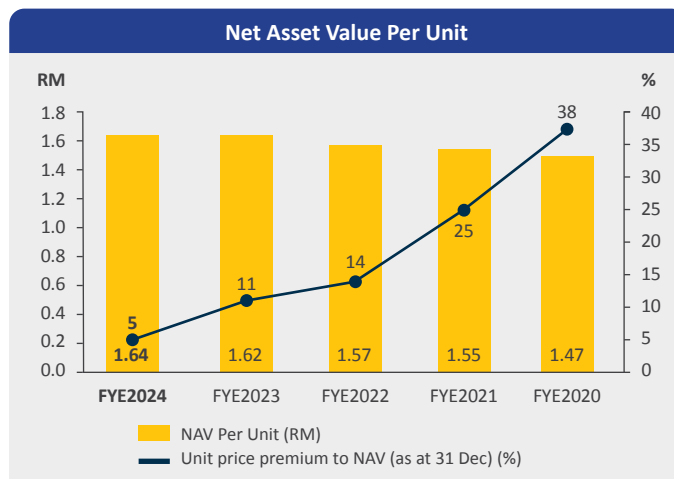
Despite concerns about the oversupply of office space in the Greater Kuala Lumpur area, net yields for our office properties held steady, at close to 7% in 2024.

Portfolio Yield (%)		
	GROSS	NET
OFFICE	9.6	6.7
OFFICE/INDUSTRIAL	9.2	6.9
MANUFACTURING FACILITY	9.0	8.2
LOGISTICS WAREHOUSE	8.6	7.8
HYPERMARKET	8.9	8.2
AVERAGE	8.9	7.7

NAV Per Unit: RM1.64 as at 31 December 2024

The Fund recorded an NAV of RM3.3 billion as at 31 December 2024, up 16.7% from a year earlier, translating to an NAV per Unit of RM1.64.

Based on Axis-REIT's closing Unit price of RM1.73 as at 31 December 2024, the Fund traded at a 5.5% premium to its NAV at the close of the year.



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Summary of Performance

	2024	2023	2022	2021	2020
AUM (RM'000)	5,258,558	4,522,893	4,255,673	3,838,760	3,364,083
NAV before income distribution (RM'000)	3,299,096[#]	2,826,002 [#]	2,571,839*	2,527,321*	2,123,004 [#]
NAV per Unit before income distribution					
- As at 31 December (RM)	1.64[#]	1.62 [#]	1.57*	1.55*	1.47 [#]
NAV after income distribution (RM'000)	3,273,562	2,784,063	2,533,362	2,491,747	2,090,552
NAV per Unit after income distribution					
- As at 31 December (RM)	1.63	1.59	1.54	1.52	1.45
Units in circulation ('000 units)	2,010,492	1,747,492	1,641,054	1,634,524	1,442,331
- Lowest NAV per Unit during the year (RM)	1.61	1.56	1.53	1.46	1.46
- Highest NAV per Unit during the year (RM)	1.64	1.62	1.57	1.55	1.48
Market value per Unit					
- As at 31 December (RM)	1.73	1.79	1.79	1.94	2.03
Highest traded price for the year (RM)	1.94	1.94	2.00	2.11	2.25
Lowest traded price for the year (RM)	1.71	1.77	1.78	1.81	1.66

* 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 RM5.1 billion

The Fund's property portfolio is revalued annually in compliance with the SC's Guidelines on Listed REITs and MFRS 140. Changes in the portfolio's fair value are charged to the Fund's Statement of Profit or Loss as a net appreciation or depreciation on the revaluation of investment properties. In 2024, the independent valuation conducted on our investment properties valued the portfolio at RM5.1 billion, which included a revaluation gain of RM49.4 million for the year. This was a 15.1% increase in the value of the portfolio, from RM4.4 billion a year earlier.

	2024	2023	2022	2021	2020
No. of properties	69	62	62	58	53
NLA (million sq. ft.)	15.2	13.4	12.7	11.4	10.5
Portfolio carrying value before revaluation (RM million)	5,064.4	4,362.8	4,158.2	3,546.4	3,261.2
Portfolio carrying value after revaluation (RM million)	5,113.8	4,444.1	4,186.0	3,614.2	3,280.2
Unrealised gain/(loss) (RM'000)	49,412	81,311	27,819	67,787	18,966
Portfolio total investment outlay (including enhancements) (RM million)	4,396.3	3,773.0	3,596.2	3,052.2	2,786.0
Accumulated revaluation gain/(loss) (RM million)	717.5	671.1	589.8	562.0	494.2



A breakdown of the Fund's portfolio valuation by property is provided on pages 261 to 264 of this Report.

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Financing Profile

	2024	2023	2022	2021	2020
Total financing (RM'000)	1,750,444	1,554,974	1,546,020	1,184,593	1,112,183
AUM (RM'000)	5,258,558	4,522,893	4,255,673	3,838,760	3,364,083
Financing ratio	33.3%	34.4%	36.3%	30.9%	33.1%
Cost of financing (p.a.)*	4.3%	4.2%	3.9%	3.6%	3.9%
Percentage of short-term financing	47%	52%	53%	47%	55%
Percentage of medium and long-term financing	53%	48%	47%	53%	45%
Total unencumbered properties	23	22	23	19	25
Value of unencumbered properties over AUM	38%	36%	42%	29%	44%

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

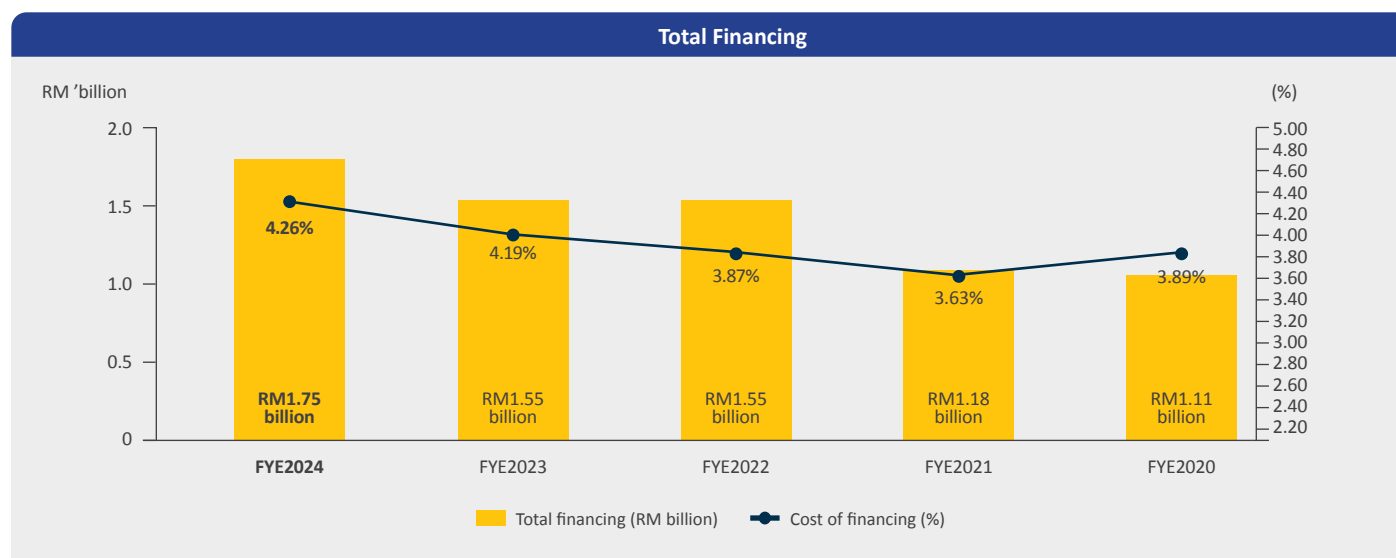
Total Financing: RM1.75 billion

We continuously manage the Fund's financial position to ensure we have sufficient liquidity to meet our working capital and financing commitments, as well as enough headroom to meet the needs of our acquisition and development strategies.

As at 31 December 2024, Axis-REIT had committed financing facilities amounting to RM1.75 billion (2023: RM1.55 billion), with a financing ratio of 33.3% (2023: 34.4%). The Fund also had outstanding Sukuk issuances amounting to RM450.0 million as at 31 December 2024.

The 8 property acquisitions concluded in 2024 were fully financed using existing financing facilities.

During the year, we sought to increase the Fund's exposure to long-term financing, which resulted in a shift in the Fund's ratio of short-term to medium/long-term financing from 52:48 as at end of 2023, to 47:53 as at 31 December 2024.



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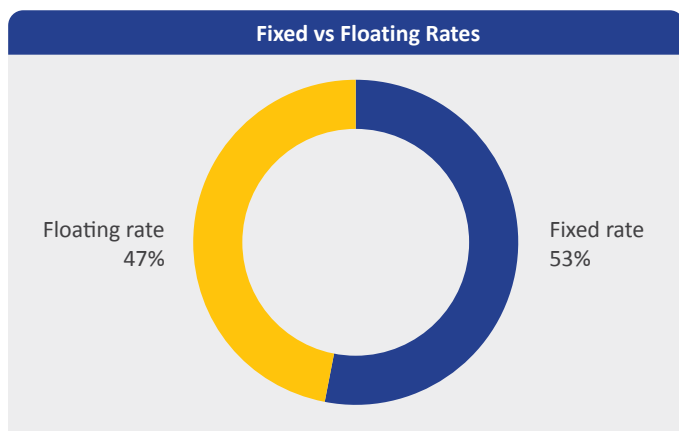
In managing the Fund's financing, we strive to spread the financing maturity profile to reduce refinancing risks and to align our financing obligations with our cash plans. As at 31 December 2024, the average maturity of the Fund's existing financing facilities stood at 3.22 years (2023: 2.45 years).

As part of its ESG initiatives, Axis-REIT has increasingly incorporated sustainability considerations throughout its business operations where possible, including in its capital management strategy.

Towards this end, we obtained additional sustainability-linked financing amounting to RM110.0 million during the year. Combined with the conversion of existing financing to sustainability-linked financing, approximately 90% of the Fund's committed financing (excluding Sukuk) as at end of 2024 were structured with sustainability-linked features.

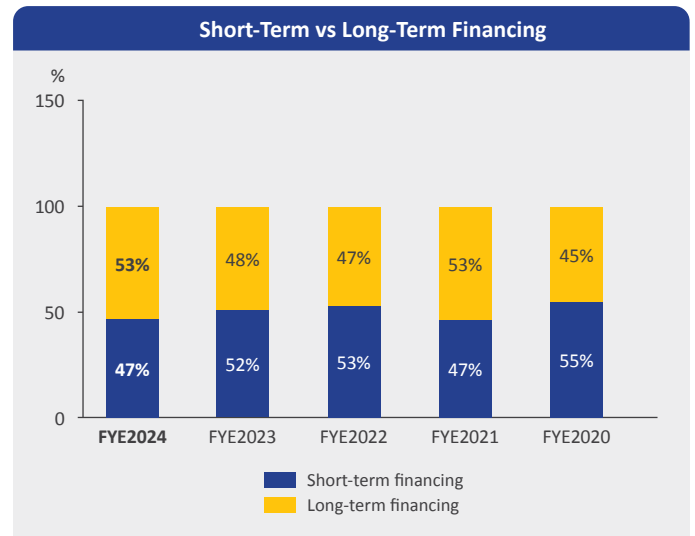
These sustainability-linked facilities have pre-agreed SPTs embedded in their terms, and we are pleased to report that we had successfully met the SPTs for all our sustainability-linked facilities during the financial year under review. Consequently, we were granted rebates on the facilities' profit rates in accordance with the SPT terms, thereby realising cost savings for the Fund.

In managing the Fund's financing costs, we maintain a prudent mix of fixed and floating rate financing to mitigate the risk of unfavourable movements in the benchmark interest rate.



As at 31 December 2024, 53% of the Fund's total financing had been locked into fixed profit rates.

In 2024, the effective profit rate of the Fund's financing portfolio stood at 4.26% p.a., up 0.07 percentage points from 4.19% in 2023. The marginal increase reflected the 25-basis point increase in the



Overnight Policy Rate (OPR) since May 2023, which affected the financing costs of the Fund's floating rate facilities.

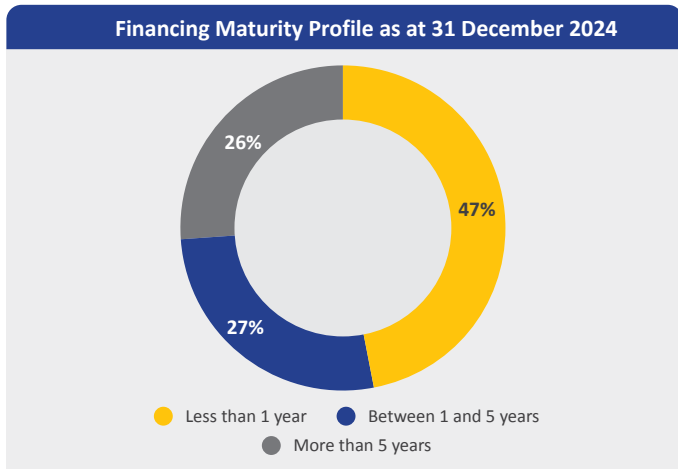
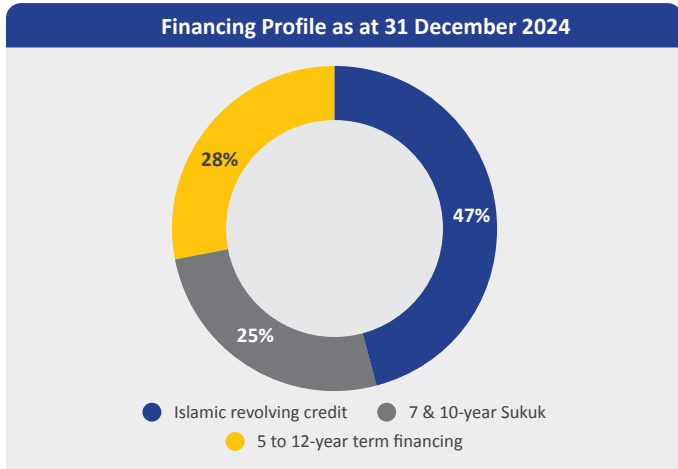
In line with our prudent capital management strategy, we undertook our tenth private placement exercise during 2024. The placement exercise saw the issuance of 263 million new Units at an issue price of RM1.71 per Unit to various institutional investors. The placement exercise was completed in November 2024 raising gross proceeds of RM449.73 million, which were utilised to pare down the Fund's existing financing and to provide headroom for future acquisitions and development projects.

Our prudent and disciplined approach towards capital management ensures that the Fund has sufficient financial flexibility in its funding structure and mitigates concentration risk. The Fund's balance sheet is robust and well-prepared for any unexpected challenges and opportunities.

We maintain active relationships with a wide network of financial institutions, and tap their respective strengths and competencies according to the needs of Axis-REIT's business strategy and growth.

As at 31 December 2024, our financing portfolio (before incidental costs of financing) consisted of RM450.0 million in Sukuk issuances (with 7-year and 10-year tenures), RM487.75 million in term financing facilities, and RM815.5 million in revolving credit facilities. The net proceeds from our tenth private placement that was completed on 18 November 2024 were used to redeem existing short-term revolving credit facilities in December 2024 and January 2025.

MANAGER'S DISCUSSION AND ANALYSIS



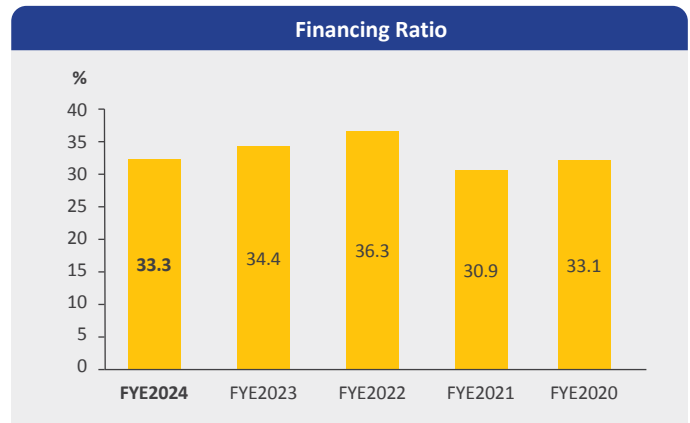
Financing Ratio: Lower at 33.3% as at 31 December 2024

Axis-REIT maintains a prudent financing strategy, keeping its financing ratio at between 30% and 40%, which is well below the 50% limit prescribed by the SC's Guidelines on Listed REITs.

As at 31 December 2024, the Fund's financing ratio stood at 33.3%, well below the SC's allowable limit. The financing ratio had declined following the 10th equity placement that was completed in November 2024, as well as on the higher AUM as at 31 December 2024.

The Fund's relatively low financing ratio provides sufficient financing headroom for potential acquisitions and development opportunities, as it gives the Fund headroom to take on a further RM878 million in financing facilities before breaching the 50% financing ratio limit set by the SC.

For FYE2024, all financing facilities were secured by investment properties.



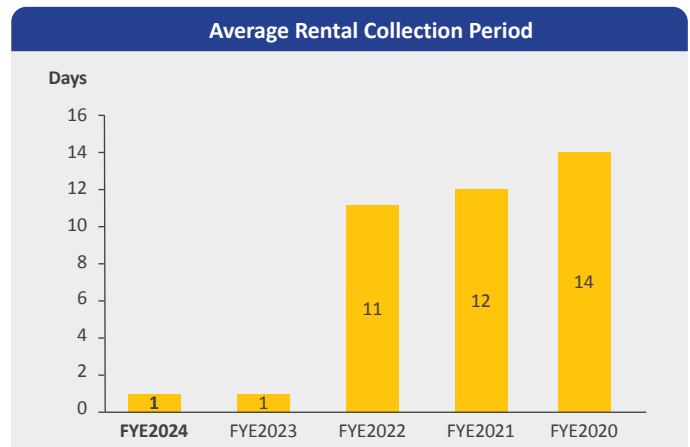
Liquidity and Credit Position

As at 31 December 2024, the Fund's cash balances and short-term Islamic deposits amounted to RM120.7 million. Along with committed but undrawn financing facilities amounting to RM566.0 million, the Fund had sufficient liquidity to satisfy its working capital and operating requirements, and to support portfolio growth.

We continuously monitor the Fund's liquidity against our strategic plans to ensure that we have sufficient financial resources and credit facilities to meet our funding and working capital commitments.

The Fund's financing features well-staggered maturities over the next 10 years with an average maturity of 3.22 years as at 31 December 2024.

Apart from our cash balances and credit facilities, we also monitor our rental income collection and manage the Fund's tenant and credit risks.



MANAGER'S DISCUSSION AND ANALYSIS

The Fund's receivables collection saw further improvements in 2024 as total trade receivables dropped by 19.2%, from RM1.0 million as at 31 December 2023, to under RM0.8 million as at 31 December 2024, with an average rental collection period of 1 day in December 2024.

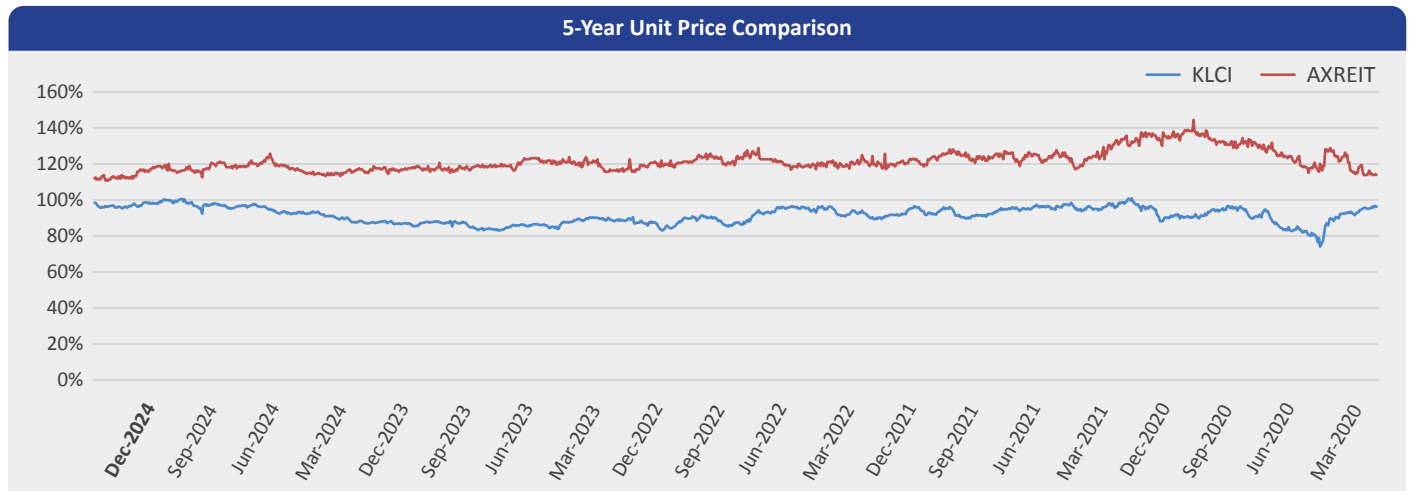
Our consistent engagement with tenants and active asset management are an essential component of our tenant management strategy, which has improved tenant retention and maintained the overall rental collection rate at a strong 99.8%.

Concurrently, our stringent approach to credit risk management and well-established internal credit control processes maintains a keen focus on receivables and keeps impairments on trade receivables to a minimum. In 2024, the Fund recorded an impairment loss on trade receivables of RM0.5 million, which was equivalent to less than 0.2% of the Fund's gross revenue.

Impairment Losses on Trade Receivables	2024	2023	2022	2021	2020
Impairment losses on trade receivables/bad debts written off/(written back) (RM'000)	536	4,202	1,225	44	70
Trade receivables (RM'000)	773	957	6,479	8,107	8,379
Gross revenue before lease incentives and unbilled lease income receivable adjustments (RM'000)	319,034	285,401	281,723	242,747	224,712
Impairment losses on trade receivables/bad debts written off/(written back) as a % of gross revenue	0.17	1.47	0.43	0.02	0.03
Average rental collection period (in days)	1	1	11	12	14

Unit Price Performance & Annual Return Highlights

In 2024, Axis-REIT's Unit price traded between its lowest closing price of RM1.71 and its highest of RM1.94. The broader range vis-à-vis 2023 mirrored the FBM KLCI's closing price range of between 1,479 and 1,678. Market sentiment among both local players and foreign counterparts was noticeably bullish on the various forward-looking initiatives announced by the Malaysian Government. These included socio-economic measures such as an increase in the minimum wage and nation-building steps such as the removal of fuel subsidies. Additionally, major steps were taken at both local and national levels towards a push for new economic drivers such as digital economy investments and renewable energy developments.



MANAGER'S DISCUSSION AND ANALYSIS

Unit Price Highlights

Opening Unit Price

RM1.78
2 January 2024

Lowest Traded Price

RM1.71
11 December 2024

Closing Unit Price

RM1.73
31 December 2024

Number of Unitholders

12,460
as at 31 December 2024

Highest Traded Price

RM1.94
30 April 2024

Number of Units in Issue

2,010,492,159
as at 31 December 2024

Transaction Volume Highlights

Total Trading Volume

439,994,900

Highest Monthly Volume

56,982,000
January 2024

Average Monthly Volume

36,666,242

Lowest Monthly Volume

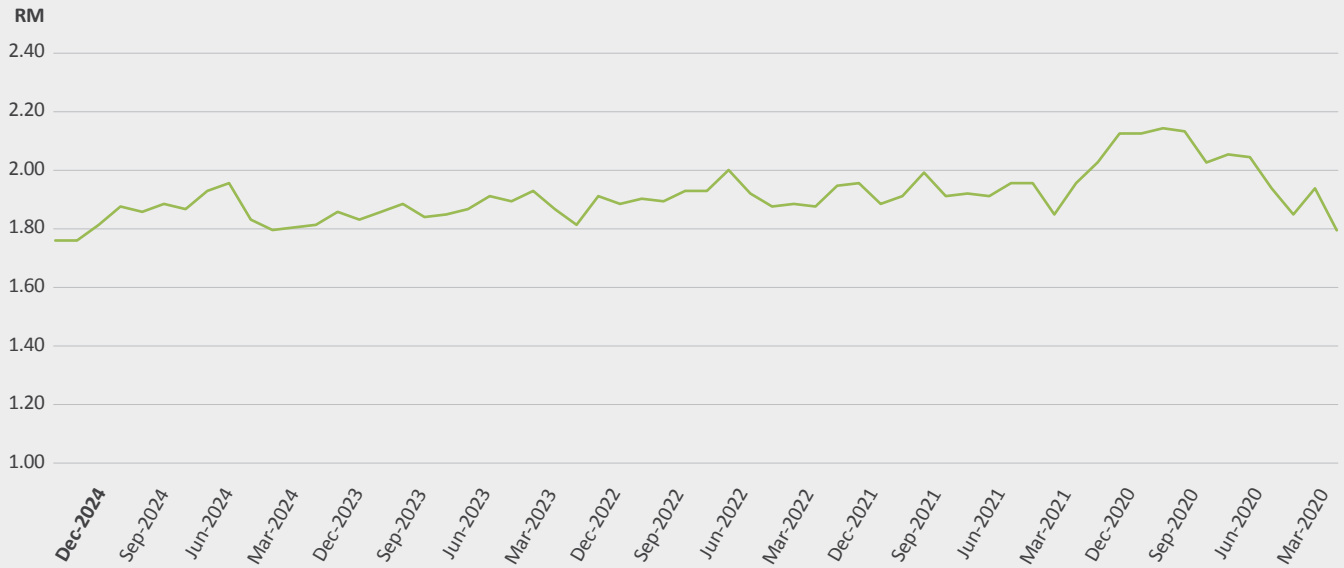
17,877,000
October 2024

5-Year Unit Price Performance Highlights

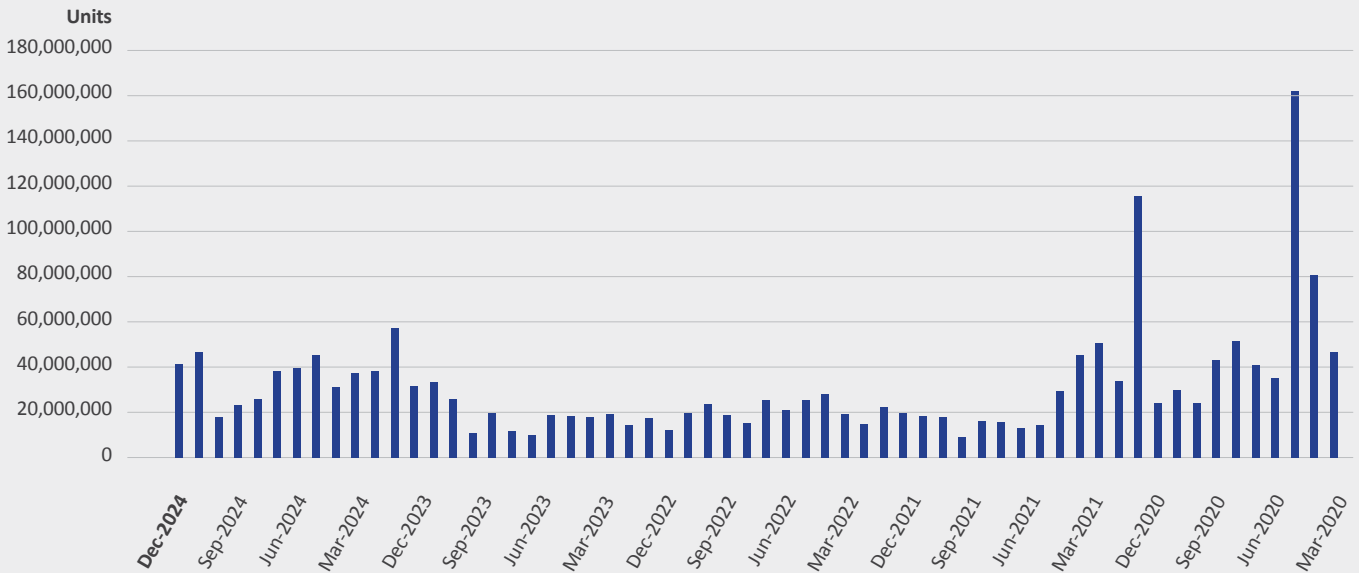
	2024	2023	2022	2021	2020
Closing Unit price as at 31 December (RM)	1.73	1.79	1.79	1.94	2.03
Highest traded price (RM)	1.94	1.94	2.00	2.11	2.25
Lowest traded price (RM)	1.71	1.77	1.78	1.81	1.66
NAV per Unit (RM)	1.64	1.62	1.57	1.55	1.47
Market capitalisation (RM'000)	3,478,151	3,128,011	2,937,487	3,170,977	2,927,933

MANAGER'S DISCUSSION AND ANALYSIS

5-Year Unit Price Movement



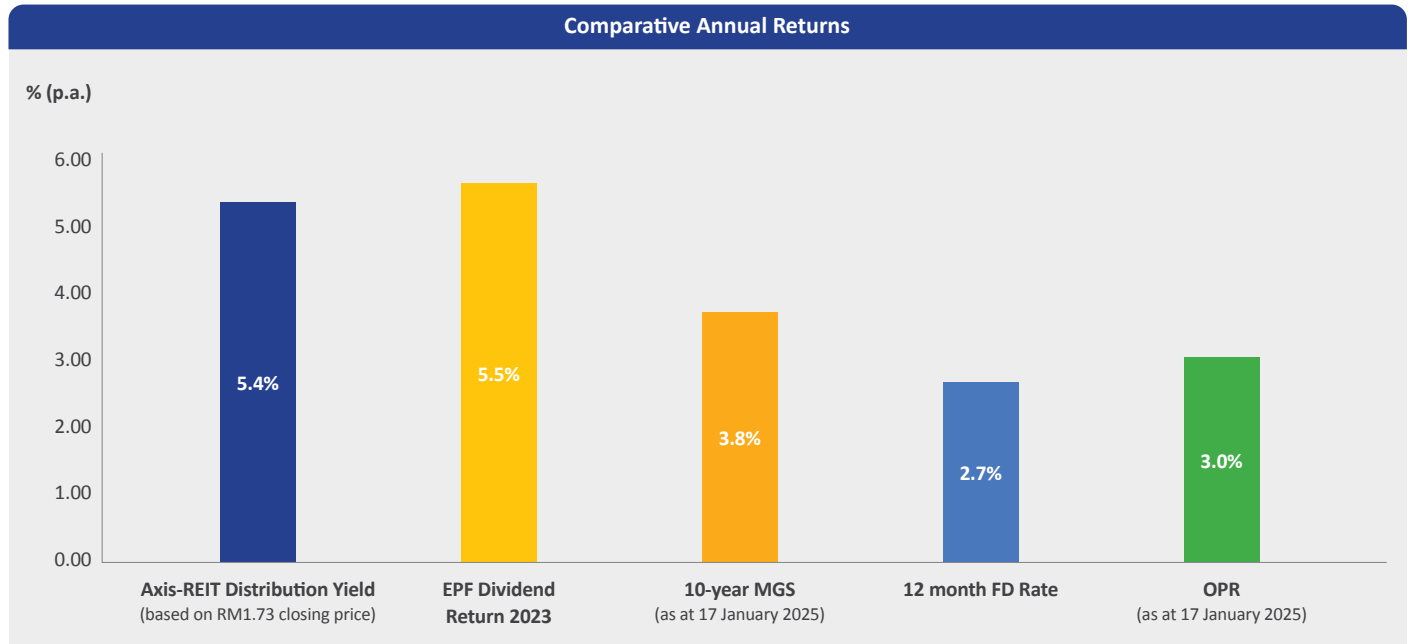
5-Year Monthly Trading Volume



MANAGER'S DISCUSSION AND ANALYSIS

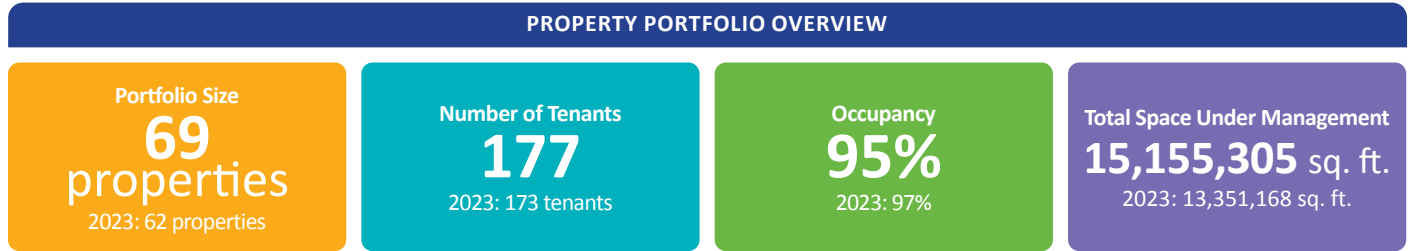
Comparative Annual Returns

Axis-REIT's DPU for FYE2024 translated to a yield of 5.4%, which was competitive against comparable investments such as the EPF Dividend Rate and the 12-month Fixed Deposit (FD) Rate. The Fund's DPU yield is calculated based on its closing Unit price of RM1.73 as at 31 December 2024.



MANAGER'S DISCUSSION AND ANALYSIS

Operations Review



Axis-REIT continued to deliver strong results in 2024, meeting operating targets and making steady progress towards our longer term goals. We extended our leadership as an industrial REIT via our portfolio growth and rejuvenation initiatives, completing a record 8 acquisitions and concluding the disposal of 1 property during the year.

Following these transactions, Axis-REIT closed 2024 with 69 industrial properties in its portfolio. These comprise manufacturing facilities and logistics warehouses that are geographically spread out in key industrial hubs across Peninsular Malaysia, as well as office, office/industrial properties and hypermarkets in thriving satellite commercial centres.

The 8 yield-accretive acquisitions added 1,983,108 sq. ft. of space under management to the Fund's property portfolio, with a further 509,040 sq. ft. added following the completion of the Axis Mega Distribution Centre (Phase 2) development. Netting off the disposal of the 688,011 sq. ft. Axis Steel Centre @ SiLC, total space under management in the portfolio grew 13.5% to 15.15 million sq. ft. as at 31 December 2024.

Leveraging on the strength of Axis-REIT's property portfolio and our operational expertise, we have built and retained an impressive tenant listing that boasts MNCs and industrial leaders. As at 31 December 2024 our tenant base stood at 177 tenants, primarily involved in logistics, manufacturing, and consumer products.

We continued to focus on building robust tenant relationships, regularly engaging our tenants to understand their operational and strategic plans. We apply the insights from these engagements, along with market intelligence gleaned from our network of agents, industry captains, and research, to deliver exceptional real estate solutions to our tenants.

Our operational strategies, favourable business conditions, and resilient demand for industrial properties from continued investments into the logistics and manufacturing sectors, drove our operating performance. The Fund's property portfolio continued to enjoy strong occupancy rates, high tenant satisfaction scores, as well as robust lease renewal rates with positive rental reversions. Details of Axis-REIT's portfolio operating metrics are discussed on the following pages, the highlights of which include:

A high tenant retention rate, with the Real Estate Team successfully securing renewals for **82.8% of space** (by NLA) that had come up for renewal in 2024. In addition, **9.3% of space was re-tenanted**. Overall these efforts sustained our property **portfolio occupancy rate at 95%**, which was within our target of maintaining it above 90%.

Higher rents, with a **5.3% positive** rental reversion across the portfolio.

High tenant satisfaction scores that exceeded our targets. Our 2024 Annual Tenant Satisfaction Survey score of **7.62 out of 10** exceeded our targeted score of 7, while our *Hello Axis* tenant satisfaction score of 4.25 out of 5, also exceeded our targeted score of 4.

We have made the sustainability of our portfolio a strategic priority in our operations and development efforts. Accordingly, we have incorporated sustainability considerations in the conduct of our day-to-day operations, setting efficiency targets for

MANAGER'S DISCUSSION AND ANALYSIS

energy and water utilisation, along with GHG emissions and waste reduction targets. We have also enhanced our investment criteria to include sustainability considerations in the assessment of acquisition targets and development projects, as well as including sustainability features and elements in our development projects and AEs.

As a result of these initiatives, we are pleased to note that we have continued to make positive strides towards our sustainability goals, and that our portfolio now boasts 6 green building certifications on 5 properties. Highlights of our sustainability achievements in 2024 include:



Obtaining final GreenRE Bronze certification for Axis Aerotech Centre @ Subang.



Obtaining final GreenRE Gold and Silver certifications for Axis Mega Distribution Centre (Phase 2) and Axis Mega Distribution Centre (Phase 1) respectively.



Obtaining final GreenRE Gold certification for Bukit Raja Distribution Centre 2.



Incorporating sustainability considerations in all 8 key AEs undertaken in 2024.









Surpassing our targets to reduce energy consumption and GHG emissions (Scope 1 and Scope 2) by 1% over a 5-year horizon, i.e., from 2022 to 2026. In 2024, we had exceeded these targets, having reduced our total energy consumption by 14.56%, achieved a 20% reduction in building energy intensity, and cut GHG emissions by 13.96% compared against baseline data set in 2019.



Successfully negotiating 3 new green leases (i.e., tenancy agreements that feature ESG considerations) during the year. These involved the 3 new tenancies contracted for Axis Mega Distribution Centre (Phase 2), bringing the Fund's number of green leases to 4.

Green Building-Certified Properties as at 31 December 2024

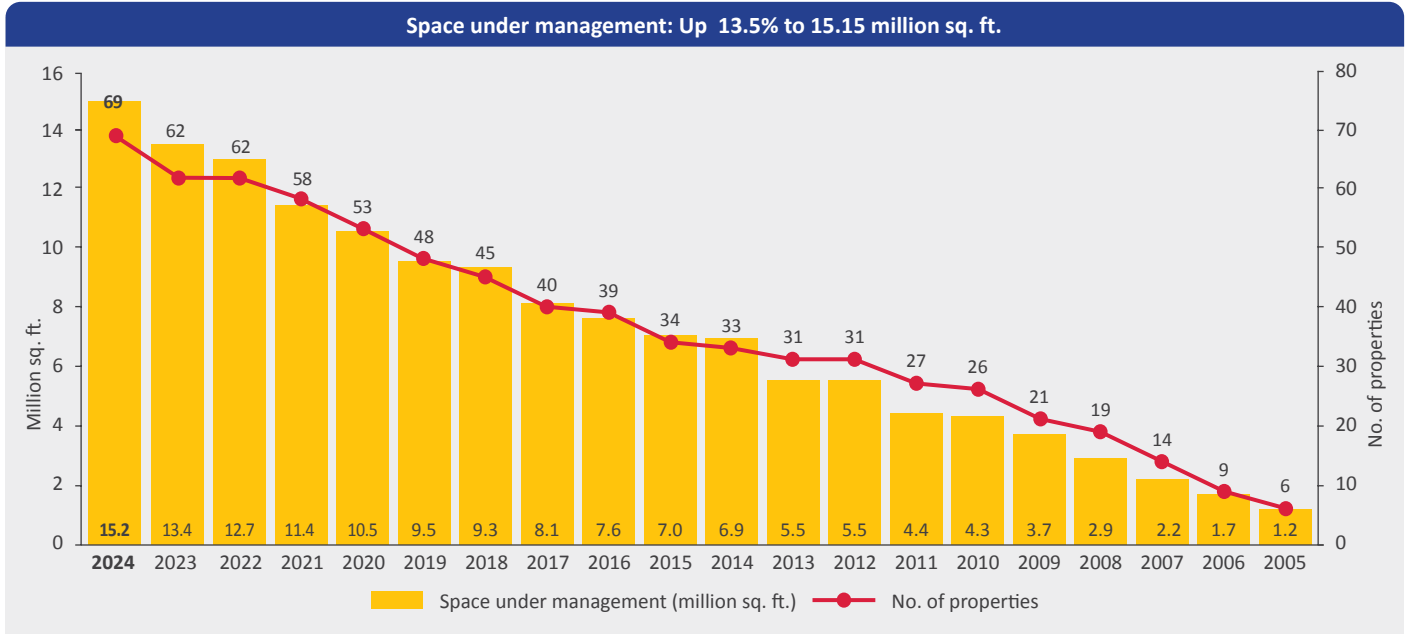
 DW1 LOGISTICS WAREHOUSE - GBI CERTIFIED	 AXIS FACILITY 2 @ BUKIT RAJA - GreenRE SILVER	 BUKIT RAJA DISTRIBUTION CENTRE 2 - GreenRE GOLD	 AXIS MEGA DISTRIBUTION CENTRE (PHASE 1) - GreenRE SILVER	 AXIS MEGA DISTRIBUTION CENTRE (PHASE 2) - GreenRE GOLD	 AXIS AEROTECH CENTRE @ SUBANG - GreenRE BRONZE
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 More details of our sustainability initiatives, targets, and outcomes are presented in the Management of Material Sustainability Matters section on pages 108 to 164 of this Report.

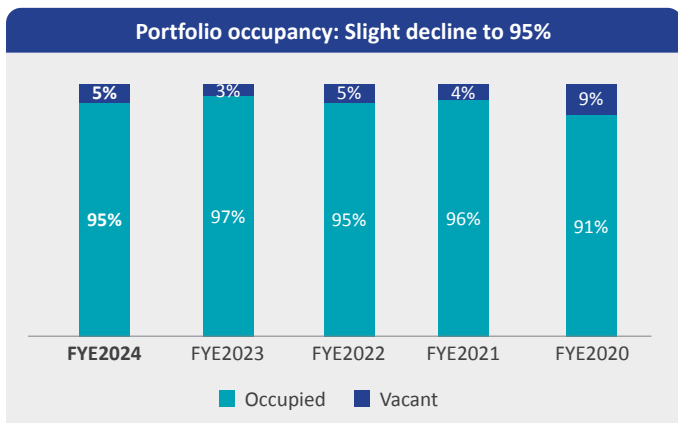
As we move forward, sustainability will continue to be a central focus of our operations and portfolio strategy. We will maintain our momentum in rolling out sustainability initiatives towards achieving our targets in energy and water conservation, GHG emissions, and waste management, as well as to obtain 1 additional green building certification a year for our property portfolio.

As part of these efforts, we will be initiating a climate scenario analysis in 2025 to ascertain the impact of climate change on our properties and to develop mitigation strategies that will improve the resilience of our portfolio. We will also work with our tenants towards complying with climate-related reporting disclosures to improve the resilience of our portfolio against the impact of climate change.

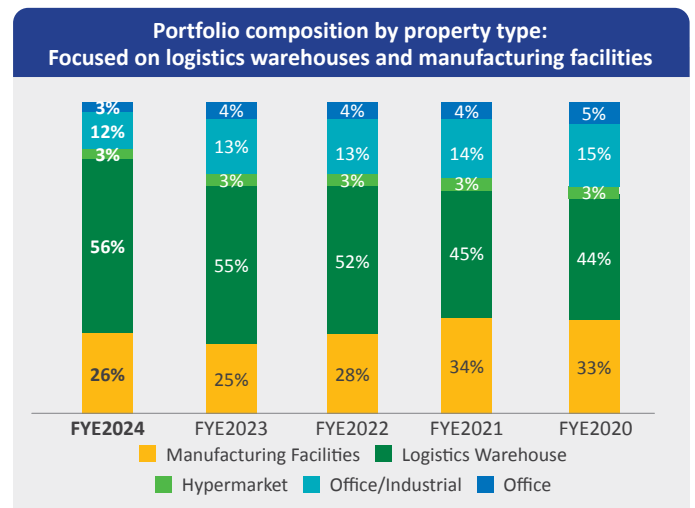
MANAGER'S DISCUSSION AND ANALYSIS



Axis-REIT’s space under management surged 13.5% to 15.15 million sq. ft., driven by the completion of the Axis Mega Distribution Centre (Phase 2) development, as well as the completion of 8 acquisitions and 1 disposal during the year. Cumulatively, these efforts raised our portfolio count to 69 properties, and added 1.8 million sq. ft. of space under management to our property portfolio.

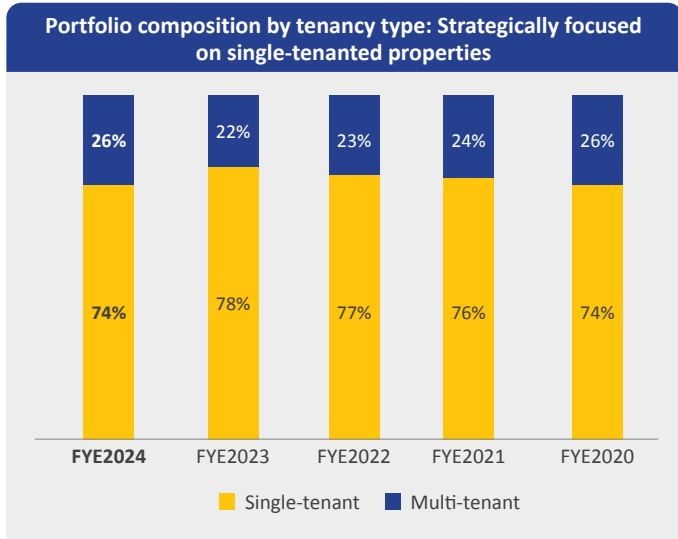


Occupancy across our property portfolio dipped slightly, by 2 percentage points to 95% as at 31 December 2024, from 97% a year earlier. This was still within our target of maintaining the portfolio occupancy rate at above 90%.



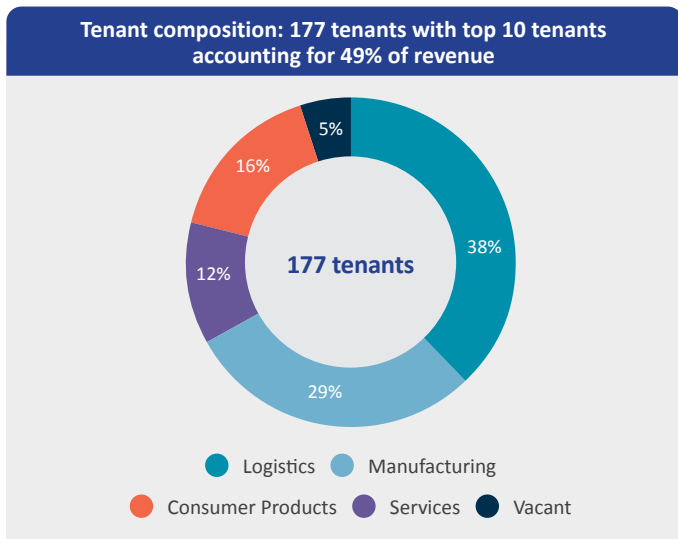
Logistics warehouses and manufacturing facilities make up the bulk of Axis-REIT’s portfolio, accounting for 56% and 26% of NLA respectively. The incremental 1 percentage point uptick in the proportions of both logistics warehouses and manufacturing facilities reflects the new additions to the portfolio in 2024, the disposal of Axis Steel Centre @ SiLC which was a manufacturing facility, and the reclassification of D21 Industrial Facility (formerly known as D21 Logistics Warehouse) as a manufacturing facility following a change in its tenancy and usage.

MANAGER'S DISCUSSION AND ANALYSIS



As at 31 December 2024, single-tenanted properties accounted for 74% of the Fund's portfolio, down slightly from 78% a year earlier as Axis Mega Distribution Centre (Phase 2) was developed for multi-tenant usage.

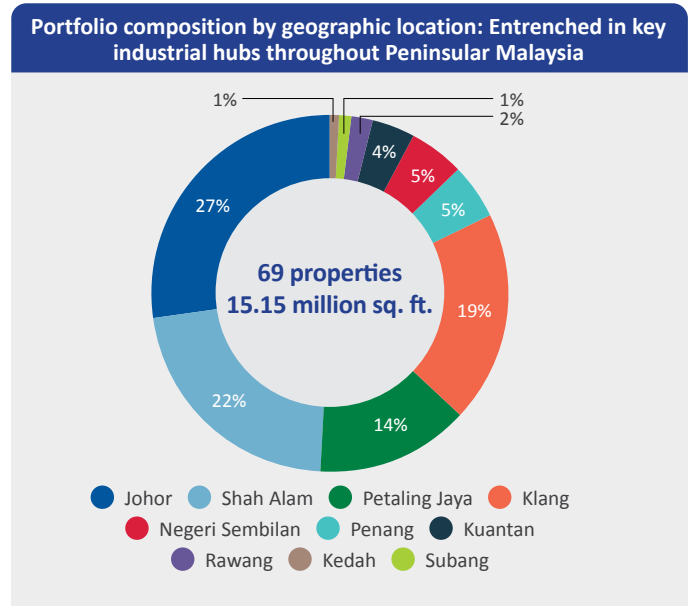
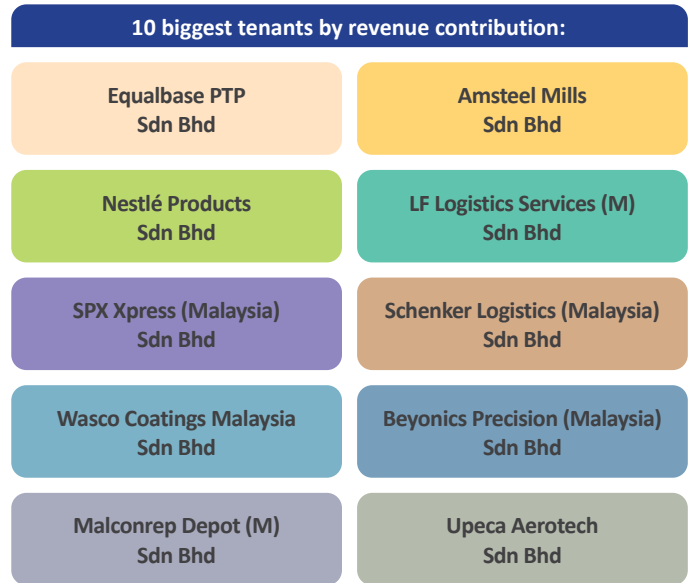
Tenancies for single-tenanted properties usually feature longer lease periods and are typically occupied by MNCs or industrial leaders, which present a lower risk of default. These tenancies usually lock in pre-agreed rental step ups and feature lower operating costs to the Fund as maintenance costs are borne by tenants. This also mitigates the risk of rising inflationary pressures on the Fund's operating costs.



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.

This tenant base has remained stable and well-diversified, with 177 tenants as at 31 December 2024.

The Fund's 10 biggest tenants by revenue contribution accounted for 49% of total revenue. 2 new names, Amsteel Mills Sdn Bhd and Malconrep Depot (M) Sdn Bhd, joined the ranks of the top 10 tenants following the acquisitions completed in 2024.



MANAGER'S DISCUSSION AND ANALYSIS

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

Our recent acquisitions and completed development raised our footprint in the Klang Valley, which now accounts for 58% of our portfolio (by NLA), from 48% a year ago. Concurrently, our footprint in Johor declined with the disposal of Axis Steel Centre @ SiLC during the year. Johor now accounts for 27% of our NLA, from 36% in 2023.

Our pipeline of upcoming acquisitions continues to focus on key industrial hubs in the Klang Valley, Johor, Penang, as well as other upcoming locations.

Tenancies Committed

During 2024, leases for 2.49 million sq. ft. of NLA in our portfolio came up for renewal. The Real Estate Team successfully contracted renewals for 2.06 million sq. ft., which translates to a retention rate of 82.8%. We also secured new tenants for 231,606 sq. ft. of vacated space. These efforts resulted in a positive rental reversion of 5.3% for the year, with portfolio occupancy holding up at 95% as at 31 December 2024.



More information on how we manage our tenants is available in the Management of Material Sustainability Matters section on pages 111 to 115 of this Report.

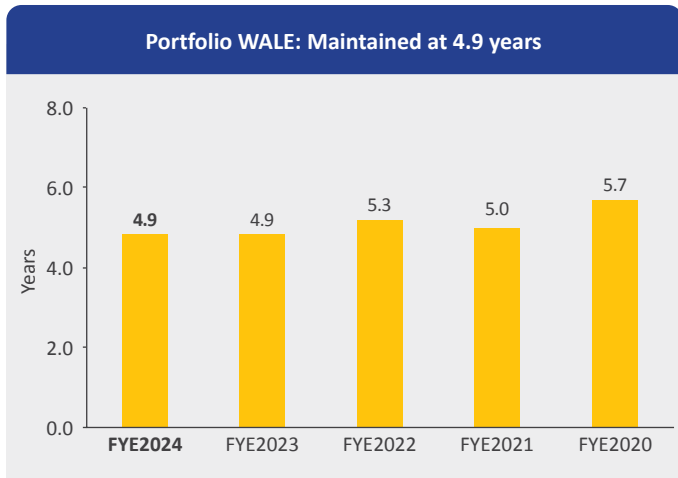
Portfolio Lease Expiry Profile by Location, 2024 – 2026

Property	Year 2024	% of Total NLA	% of Rental Income/ month	Year 2025	% of Total NLA	% of Rental Income/ month	Year 2026	% of Total NLA	% of Rental Income/ month
Petaling Jaya	588,693	3.88	6.09	740,078	4.88	7.89	411,878	2.72	4.15
Subang	-	-	-	30,250	0.20	0.44	-	-	-
Shah Alam	1,056,195	6.97	6.06	1,161,050	7.67	6.42	588,310	3.88	3.76
Klang	-	-	-	470,967	3.11	2.59	318,150	2.10	1.96
Johor	843,971	5.57	4.89	736,936	4.86	2.92	334,000	2.20	1.79
Negeri Sembilan	-	-	-	291,642	1.92	1.00	148,011	0.98	0.53
Penang	-	-	-	147,985	0.98	0.72	205,151	1.35	1.75
Kedah	-	-	-	138,000	0.91	1.05	-	-	-
TOTAL	2,488,859	16.42	17.04	3,716,908	24.53	23.02	2,005,500	13.23	13.94

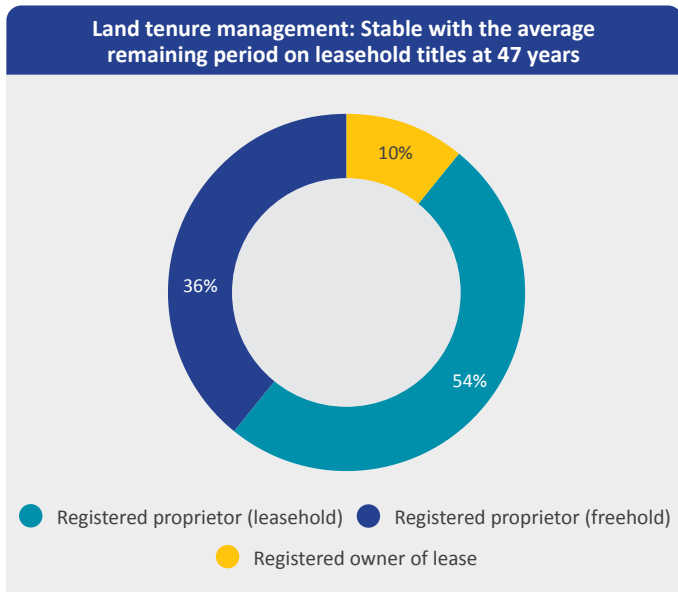
Portfolio Lease Expiry Profile by Type, 2024 – 2026

Property	Year 2024	% of Total NLA	% of Rental Income/ month	Year 2025	% of Total NLA	% of Rental Income/ month	Year 2026	% of Total NLA	% of Rental Income/ month
Office	213,059	1.41	3.06	132,517	0.87	1.83	55,654	0.37	0.81
Office/Industrial	517,244	3.41	4.10	736,074	4.86	7.25	356,224	2.35	3.34
Logistics Warehouse	1,448,455	9.56	7.91	2,225,660	14.69	11.11	1,552,561	10.24	9.52
Manufacturing Facilities	310,101	2.04	1.97	484,657	3.19	1.78	41,061	0.27	0.27
Hypermarket	-	-	-	138,000	0.91	1.05	-	-	-
TOTAL	2,488,859	16.42	17.04	3,716,908	24.53	23.02	2,005,500	13.23	13.94

MANAGER'S DISCUSSION AND ANALYSIS



Our portfolio Weighted Average Lease Expiry (WALE) held steady at 4.9 years (by rental) in 2024. This was, in part, due to the inclusion of new leases from the 8 properties acquired during the year.



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

As at 31 December 2024, 54% of the portfolio was held via leasehold titles, while a further 10% were properties held under registered leases. The balance 36% were freehold properties.

The Manager actively monitors and manages the expiry profiles of leasehold properties. The leasehold properties in our portfolio had, on average, 47 years to expiry, with the shortest remaining lease period at a comfortable 25 years. Nevertheless, in 2023, we proactively submitted an application to the land office for the lease renewal of 1 property, which is currently still underway. We will continue to review our land tenure profiles to explore and determine further renewal applications in the coming years.



MANAGER'S DISCUSSION AND ANALYSIS

Investment Review

2024 was a bumper year for acquisitions at Axis-REIT. We completed 8 acquisitions for a total consideration of RM719.4 million during the year, setting a record in terms of the number of properties acquired and the amount invested. These acquisitions entrenched our presence in key industrial areas of Peninsular Malaysia, while adding to our hypermarket, logistics and manufacturing portfolios.

Our acquisitions in 2024 included Axis Facility 3 @ Bukit Raja, which, at RM313.0 million with 924,000 sq. ft. in NLA, is the Fund's second largest acquisition to date. The property is adjacent to Axis Facility 1 @ Bukit Raja (199,500 sq. ft. of NLA), which we also acquired in 2024 for RM49.0 million. These acquisitions, together with our existing properties in the area, have significantly enlarged our footprint in Bukit Raja.

Further west along the Klang Valley industrial corridor, we acquired 2 adjoining Logistics Warehouses within Taman Perindustrian Pulau Indah for a combined cash consideration of RM158.6 million. The warehouses added some 433,442 sq. ft. of NLA to Axis-REIT's portfolio.

We also added 2 automotive service centres to our portfolio, namely Axis Vista 2 and


Axis Industrial Facility @ Batu Caves. Both properties were acquired for a combined sum of RM125 million. Axis Vista 2 features 156,000 sq. ft. of NLA with prominent frontage along the Federal Highway, while Axis Industrial Facility @ Batu Caves is a 71,000 sq. ft. property with access to major highways such as the Duta-Ulu Kelang Expressway (DUKE) and North-South Expressway (PLUS).

During the year, we also concluded the acquisitions of Axis Hypermarket @ Temerloh – our third hypermarket in the portfolio, as well as Axis Industrial Facility @ Sendayan, our first property in the Sendayan Techvalley Industrial Park. As at 31 December 2024, we had one further transaction, for the acquisition of a storage yard in Bukit Raja for RM38.8 million that is pending completion.

Our acquisitions in 2024 have strengthened Axis-REIT's position as the leading industrial REIT in Malaysia. Collectively, the acquisitions added 1,983,108 sq. ft. to the portfolio, further advancing our strategy of growing and adding geographic, property type, and tenant diversity to the Fund's portfolio.

Aside from these acquisitions, Axis-REIT also disposed of Axis Steel Centre @ SiLC to a data centre operator for a cash consideration of RM162.0 million. We had acquired the property, which is located in Kawasan Perindustrian SiLC, Johor, for RM153.5 million in 2014, and view that we have maximised the property's income-generating potential as a manufacturing facility.

On the property development front, we successfully completed the development of Axis Mega Distribution Centre (Phase 2), a Grade A logistics warehouse with 509,040 sq. ft. of NLA. We will continue to seek out redevelopment opportunities within Axis-REIT's existing portfolio. The potential value enhancement from such redevelopments is especially promising for older properties in prime industrial areas that are in need of enhancement or have tenancies that are nearing expiration. We believe our development of Axis Mega Distribution Centre (Phase 1) and (Phase 2) is a prime example of this.

 For more information on our Axis Mega Distribution Centre (Phase 2) development, please see our section on Completed Development on page 65 of this Report.

We continue to see similar redevelopment opportunities for several other properties in Axis-REIT's portfolio. These properties have garnered strong interest from prospective tenants, and we will continue to assess such opportunities for future development projects.

Beyond our acquisitions and development efforts, the Fund also continued to invest in strategic AEs to preserve the value of its portfolio, with RM18.3 million in AEs during the year to maintain and enhance its existing properties.

Details of 2024's property acquisitions, ongoing development projects and AEs are presented in the following pages.

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF ACQUISITIONS COMPLETED IN 2024



Axis Hypermarket @ Temerloh

Property Name	Axis Hypermarket @ Temerloh
Address	Temerloh Mall, Jalan Jaya, 28000 Temerloh, Pahang
Property Description	A two-storey shopping mall
Property Type/ Existing Use	Hypermarket
Property Age	12 years
Title Details	GM 47, Lot 12135 Section 5, Tempat Charok Langgong, Bandar Temerloh, Pahang Darul Makmur
Land Area	Approximately 1.85 acres
Land Tenure	Freehold
Net Lettable Area	93,854 sq. ft.
Occupancy Rate	100%
Major Tenant	TF Value-Mart Sdn Bhd
Tenancy/Lease Period	20 years
WALE at Acquisition	20 years
Date of Acquisition	16 January 2024
Purchase Price	RM25.8 million
Vendor	Amal Mewah Development Sdn Bhd



Axis Facility 1 @ Bukit Raja

Property Name	Axis Facility 1 @ Bukit Raja
Address	Lot 1, Solok Waja 2, Kawasan Industri Bukit Raja, 41050 Klang, Selangor
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	33 years
Title Details	H.S.(D) 24277, PT3501, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Approximately 7.98 acres
Land Tenure	99-year leasehold expiring on 22 October 2088
Net Lettable Area	199,500 sq. ft.
Occupancy Rate	100%
Major Tenant	Amsteel Mills Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	6 years
Date of Acquisition	31 May 2024
Purchase Price	RM49.0 million
Vendor	Amsteel Mills Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS



Axis Vista 2

Property Name	Axis Vista 2
Address	Lot 19, Jalan 51A/219, off Federal Highway, 46100 Petaling Jaya, Selangor
Property Description	4½ storey detached building used as a 3S centre
Property Type/ Existing Use	Office/Industrial
Property Age	18 years
Title Details	H.S.(D) 171216, PT 19, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor
Land Area	Approximately 2.36 acres
Land Tenure	99-year leasehold expiring on 7 January 2067
Net Lettable Area	156,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Cycle & Carriage Bintang Berhad
Tenancy/Lease Period	10 years
WALE at Acquisition	10 years
Date of Acquisition	15 July 2024
Purchase Price	RM69.0 million
Vendor	Cycle & Carriage Bintang Berhad



Axis Industrial Facility @ Batu Caves

Property Name	Axis Industrial Facility @ Batu Caves
Address	Lot 5, Jalan Perusahaan 1, Kawasan Perindustrian PKNS, 68100 Batu Caves, Selangor
Property Description	A single storey detached building used as a 2S centre
Property Type/ Existing Use	Office/Industrial
Property Age	9 years
Title Details	H.S.(M) 3755, PT 1, Locality of Jalan Perusahaan Satu, Batu Caves, Mukim Batu, Daerah Gombak, Negeri Selangor
Land Area	Approximately 4.09 acres
Land Tenure	99-year leasehold expiring on 5 September 2074
Net Lettable Area	71,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Cycle & Carriage Bintang Berhad
Tenancy/Lease Period	10 years
WALE at Acquisition	10 years
Date of Acquisition	15 July 2024
Purchase Price	RM56.0 million
Vendor	Cycle & Carriage Bintang Berhad

MANAGER'S DISCUSSION AND ANALYSIS



Axis Industrial Facility @ Sendayan

Property Name	Axis Industrial Facility @ Sendayan
Address	PT11653, Jalan Techvalley 1/2, Kawasan Perindustrian Sendayan Techvalley, 71950 Seremban, Negeri Sembilan
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	5 years
Title Details	H.S.(D) 215217, PT 11653, Bandar Sri Sendayan, Daerah Seremban, Negeri Sembilan
Land Area	Approximately 14.63 acres
Land Tenure	Freehold
Net Lettable Area	105,311 sq. ft.
Occupancy Rate	100%
Major Tenant	Sandvik Equipment Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	4.6 years
Date of Acquisition	23 July 2024
Purchase Price	RM48.0 million
Vendor	BSS Development Sdn Bhd and Matrix IBS Sdn Bhd



Axis Facility 3 @ Bukit Raja

Property Name	Axis Facility 3 @ Bukit Raja
Address	Lot 6, Solok Waja 2, Kawasan Perusahaan Bukit Raja, 41050 Klang, Selangor
Property Description	An industrial complex
Property Type/ Existing Use	Manufacturing Facilities
Property Age	Approximately 33-40 years
Title Details	Land 1: H.S.(D) 17795, PT3494, Mukim Kapar, Daerah Klang, Negeri Selangor Land 2: H.S.(D) 31354, PT 17631, Mukim Kapar, Daerah Klang, Negeri Selangor
Land Area	Land 1: Approximately 59.28 acres Land 2: Approximately 0.68 acres Total Land Area: Approximately 59.96 acres
Land Tenure	Land 1: 99-year leasehold interest expiring on 9 November 2085 Land 2: 99-year leasehold expiring on 29 October 2091
Net Lettable Area	924,000 sq. ft.
Occupancy Rate	100%
Major Tenant	Amsteel Mills Sdn Bhd
Tenancy/Lease Period	6 years
WALE at Acquisition	6 years
Date of Acquisition	8 October 2024
Purchase Price	RM313.0 million
Vendor	Amsteel Mills Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS



Axis Facility 1 @ Pulau Indah

Property Name	Axis Facility 1 @ Pulau Indah
Address	PT 64238, Jalan Perigi Nenas 7/2 KS11, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor
Property Description	2 blocks of single storey warehouse
Property Type/ Existing Use	Logistics Warehouse
Property Age	Approximately 8-11 years
Title Details	H.S.(D) 67518, PT 64238, Mukim Klang, Daerah Klang, Negeri Selangor
Land Area	Approximately 10.90 acres
Land Tenure	99-year leasehold expiring on 24 February 2097
Net Lettable Area	301,228.40 sq. ft.
Occupancy Rate	100%
Major Tenant	Malconrep Depot (M) Sdn Bhd
Tenancy/Lease Period	9 years
WALE at Acquisition	9 years
Date of Acquisition	11 October 2024
Purchase Price	RM110.075 million
Vendor	Malconrep Depot (M) Sdn Bhd

Axis Facility 2 @ Pulau Indah

Property Name	Axis Facility 2 @ Pulau Indah
Address	PT 64237, Jalan Perigi Nenas 7/2 KS11, Taman Perindustrian Pulau Indah, 42920 Pelabuhan Klang, Selangor
Property Description	A single storey warehouse
Property Type/ Existing Use	Logistics Warehouse
Property Age	7 years
Title Details	H.S.(D) 67517, PT 64237, Mukim Klang, Daerah Klang, Negeri Selangor
Land Area	Approximately 4.51 acres
Land Tenure	99-year leasehold expiring on 24 February 2097
Net Lettable Area	132,214.48 sq. ft.
Occupancy Rate	100%
Major Tenant	Malconrep Depot (M) Sdn Bhd
Tenancy/Lease Period	5 years
WALE at Acquisition	5 years
Date of Acquisition	26 November 2024
Purchase Price	RM48.569 million
Vendor	Dayang Mewah Sdn Bhd

MANAGER'S DISCUSSION AND ANALYSIS

SALIENT DETAILS OF DISPOSAL COMPLETED IN 2024



Axis Steel Centre @ SiLC

Property Name	Axis Steel Centre @ SiLC
Address	No. 27, Jalan SiLC 1/5, Kawasan Perindustrian SiLC, 79200 Nusajaya, Johor
Property Description	A plot of industrial land with 2 single-storey detached factories, a double-storey office building, a double-storey canteen and maintenance office, a single-storey training centre, a 3-storey worker hostel, and other ancillary buildings
Property Type	Manufacturing Facilities
Property Age	14 years
Title Details	H.S.(D) 458080, PTD 5755 Mukim Jelutong, Daerah Johor Bahru, Negeri Johor
Land Area	Approximately 26.96 acres
Land Tenure	Freehold

Net Lettable Area	688,011 sq. ft.
Date of Disposal	12 December 2024
Occupancy on date of disposal	0%
Original Purchase Price	RM153.5 million
Disposal Price	RM162.0 million
Purchaser	Data centre operator
Market Value	RM159.0 million
Date of Valuation	19 December 2023
Name of Valuer	Rahim & Co International Sdn Bhd
Rationale for disposal	Limited upside for future rental growth in the property's current condition and favourable disposal price presented capital redeployment opportunity

MANAGER'S DISCUSSION AND ANALYSIS

COMPLETED DEVELOPMENT: AXIS MEGA DISTRIBUTION CENTRE (PHASE 2)

In 2024, we completed the development of Axis Mega Distribution Centre (Phase 2), a Grade A logistics warehouse located on the outskirts of Klang, Selangor. The development project commenced construction in January 2023 and was completed on schedule in March 2024. The logistics warehouse features a built-up area of approximately 509,040 sq. ft. that can be sub-divided to 8 modules for maximum flexibility to cater to tenants' requirements. We had secured 37.5% occupancy as at 31 December 2024, and full occupancy in January 2025.

Axis Mega Distribution Centre (Phase 2) incorporates significant sustainability features and received its final GreenRE Gold certification in December 2024. Specifically, the development features:

- A Grade-A distribution centre
- A long-term sustainable building design with green mark qualification
- Flexible modular space configurations
- Good connectivity to major highways and a strategic location close to West Port and North Port

Axis Mega Distribution Centre (Phase 2) is adjacent to Axis Mega Distribution Centre (Phase 1) – a logistics warehouse that is locked into a long-term lease with Nestlé Products Sdn Bhd. Axis Mega Distribution Centre (Phase 1) was Axis-REIT's first development project, completed in January 2018. Both Axis Mega Distribution Centre (Phase 1) and (Phase 2) are located on approximately 50 acres of land that the Fund acquired in 2010. At the time of acquisition, the property was used as an automobile pre-delivery inspection centre.

The development of Axis Mega Distribution Centre (Phase 2) unlocked the value of the property and complements Axis Mega Distribution Centre (Phase 1) in creating a cluster of industrial properties, allowing tenants to create and leverage on scale and a potential collaborative logistics ecosystem. The entire Axis Mega Distribution Centre (Phase 1) and (Phase 2) development recorded a fair value of RM444.0 million in its latest valuation, conducted in 2024, against its investment outlay of RM378.2 million.



Original parcel of land pre-development



Completed development of Axis Mega Distribution Centre (Phase 1) and (Phase 2)

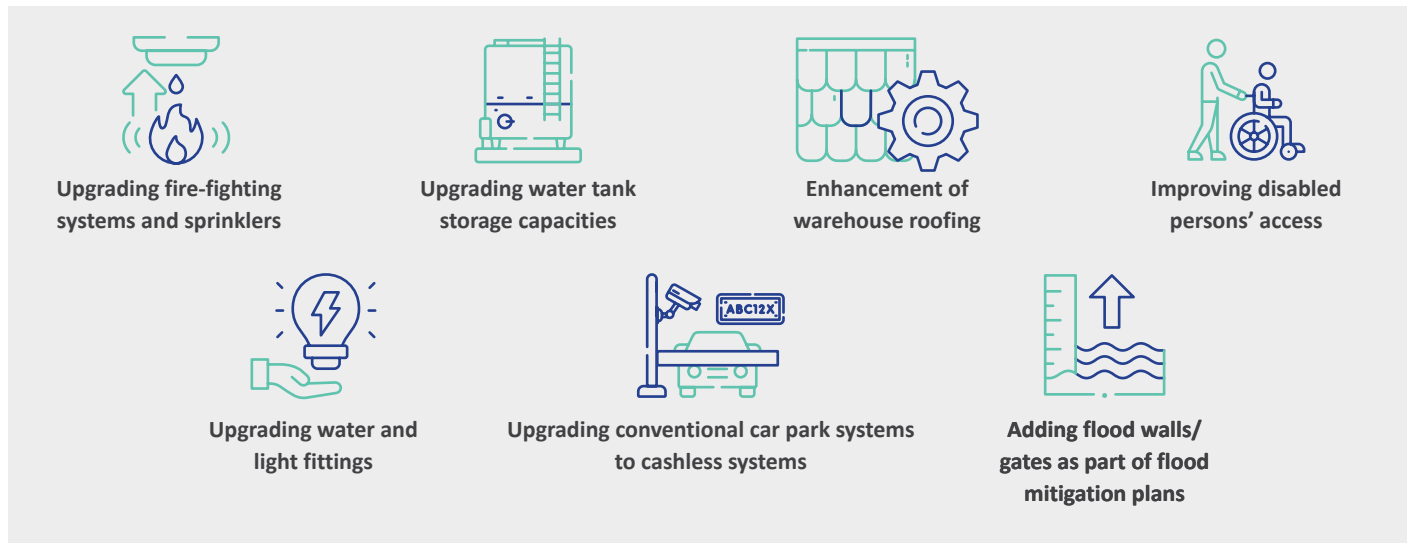
MANAGER'S DISCUSSION AND ANALYSIS

Asset Enhancement Initiatives (AEI)

We proactively undertake strategic AEIs to maintain, refurbish, and upgrade selected properties as a key strategy in preserving and enhancing the value of the Fund's portfolio. Our AEIs ensure our properties remain attractive, updated, and relevant to the needs of the market.

As a practice, our AEIs incorporate green features and involve retrofitting sustainability features, equipment and materials, where possible. This is aimed at enhancing the quality and sustainability of the properties and the overall portfolio, in line with the objectives of the Fund's Environmental Policy. In so doing, these AEIs support Axis-REIT's ESG goals as well as those of our stakeholders.

In 2024, the Fund invested RM18.3 million in total AEIs, involving 8 key projects at selected properties across the portfolio. These included:



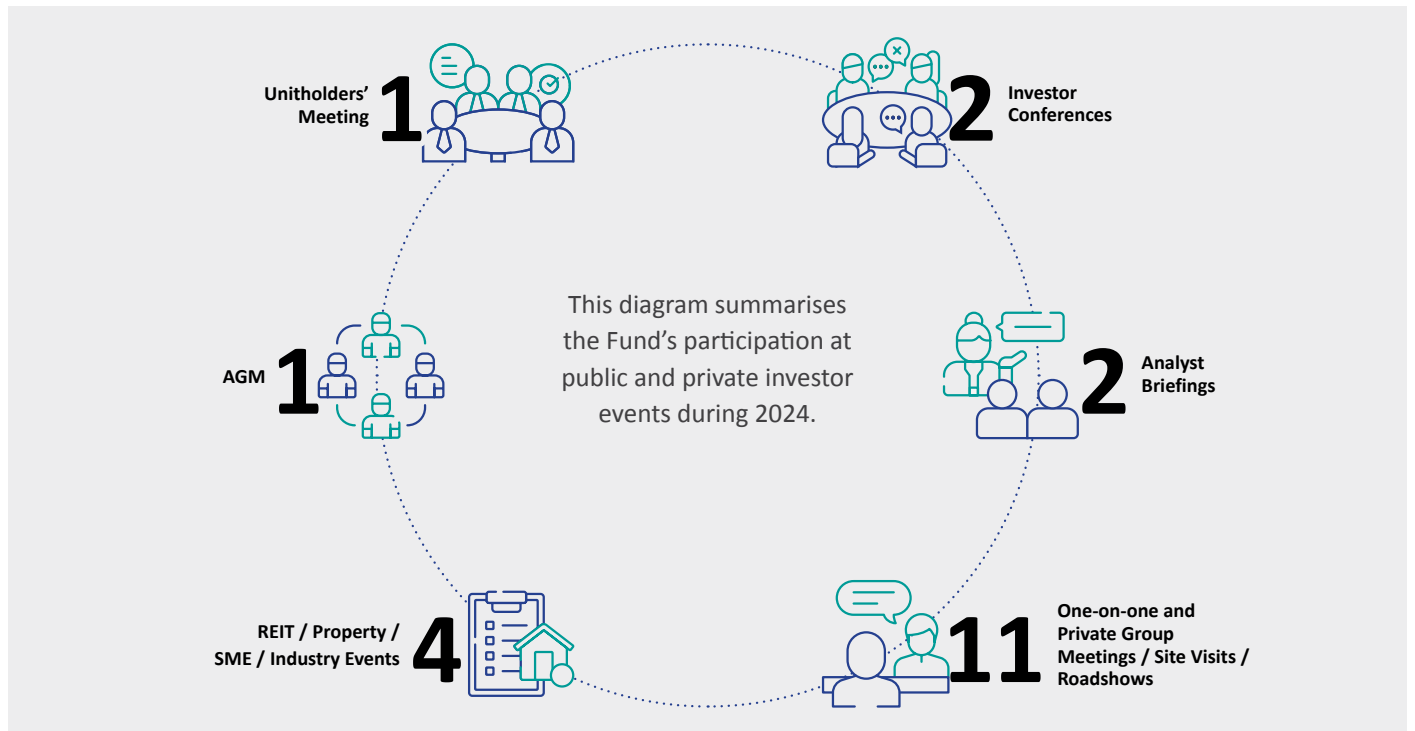
More information about our AEIs is presented in the Management of Material Sustainability Matters section on pages 119 to 121 of this Report.

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

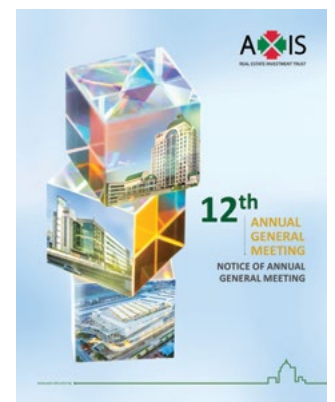
MANAGER'S DISCUSSION AND ANALYSIS

Investor Engagement, Research, and Media Coverage

During 2024, we continued to actively engage investors and stakeholders through various channels such as conferences, private meetings, industry events, and company briefings. These engagements gave the Fund's management team access to both local and international investment communities, and vice versa. They comprised a mix of virtual and physical meetings, with the Fund's 12th AGM and its 2024 Unitholders' Meeting conducted via virtual broadcast using remote participation and electronic voting facilities.

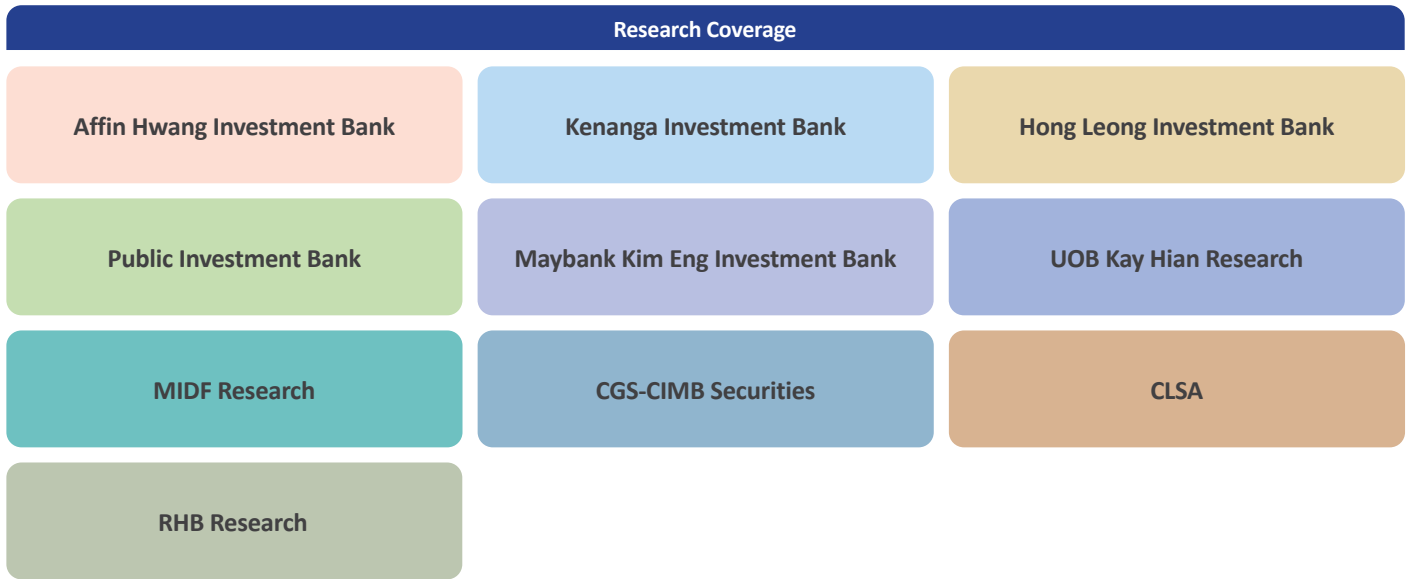


12th Virtual AGM

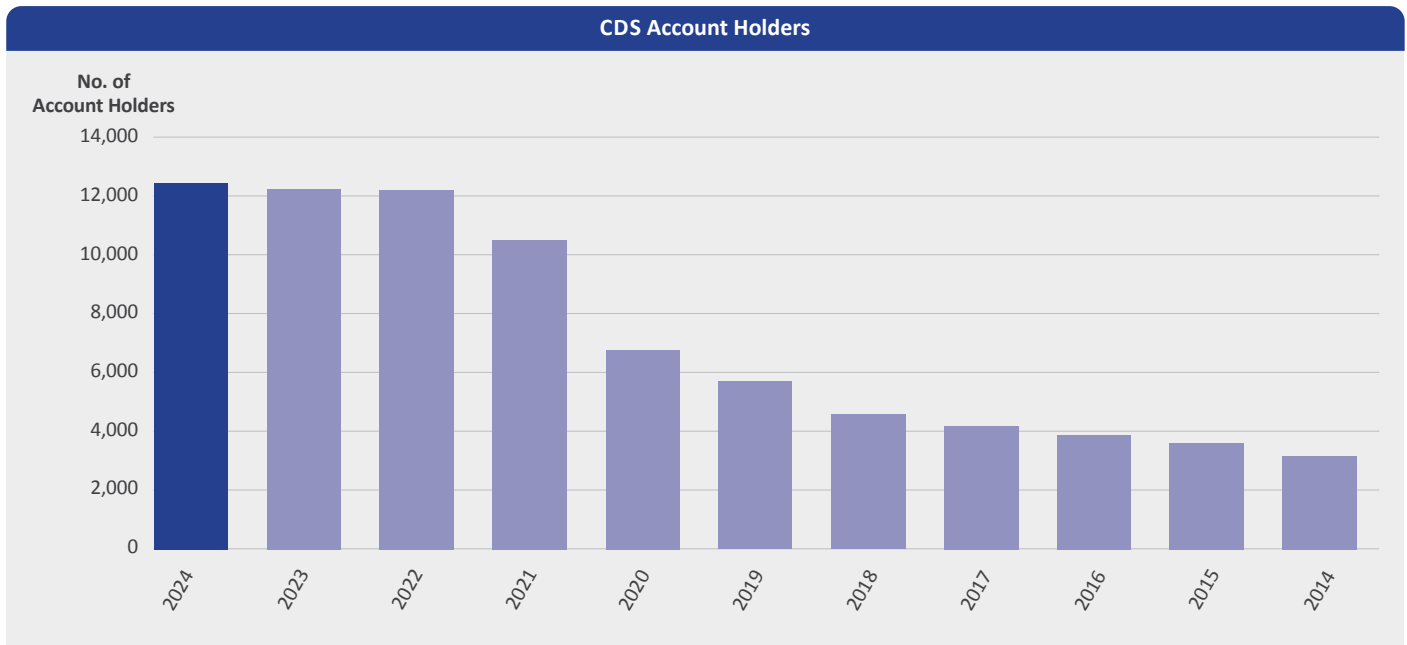


MANAGER'S DISCUSSION AND ANALYSIS

Axis-REIT is currently covered by 10 research houses. The Investor Relations Team continues to maintain clear and timely communications on the Fund's results, strategy and outlook through the various investor engagements described above.



Axis-REIT's number of CDS account holders has increased steadily over the years, with over 12,000 accounts in 2024.



MANAGER'S DISCUSSION AND ANALYSIS

Selected Research Coverage

Research by kenanga
20 October 2024

Axis REIT
Completion of acquisitions on track

By Chirya Teng | chirya.teng@kenanga.com.my

MARKET PERFORM
Price: RM1.81
Target Price: RM1.79

Share Price Performance
YTD KLCI chg 10.7%
YTD stock price chg 1.1%

Block Information
Year: 2023A, 2024F, 2025F, 2026F
Revenue: 264, 306.6, 305.3, 305.3
EPS: 0.7, 0.8, 0.9, 0.9
Dividend Yield: 3.8%, 3.9%, 4.0%, 4.0%

Valuations
Mainstream
Values: Maintain TP of RM1.79 based on a FY25F net distribution of 4.9c against a target yield of 3.25% (derived from a 1.5% yield spread above our 15-year MRR assumption of 3.75%). There is no adjustment to our TP based on ESG given a 3-star rating as approved by us (see Page 4).

Risks to our call include: (i) a higher-than-expected risk-free rate, (ii) default on rental payments by tenants.

CIMB Securities
24 Jul 2024

Axis REIT
M&As to boost 2H24 earnings

Axis REIT's H1FY24 results were broadly in line, making up 40% and 48% of our and consensus full year forecasts. 3QFY24 core net profit grew by 13.5% yoy, driven by higher rental, thanks to new assets and healthy NPV margins. However, core net profit fell 1.3% qoq due to higher maintenance and interest expense. We project higher 2H earnings driven by asset acquisition, historical trend rating with DDM-based TP of RM2.00. Axis REIT share price is traded by 4.9%, 6.8% dividend yields.

Financial Highlights

	2023	2024	2025F	2026F
Revenue	264	264	264	272
Net Income	201	244	269	281
EPS (RM)	0.68	0.82	0.91	0.93
Dividend Yield (%)	3.7	3.8	4.0	4.0
Dividend Payout Ratio (%)	43	43	43	43
Free Cash Flow (RM)	120	120	120	120
Free Cash Flow Yield (%)	4.5	4.5	4.5	4.5

3Q24 NPV gain sequentially thanks to acquisition exercise
In 3Q24, Axis REIT's NPV gain rose 1.5% qoq and 12.3% yoy to RM8.0m. The higher NPV gain was attributable to the positive rental revision from the existing portfolio and contributions from newly acquired assets. Axis REIT completed @ Terenoh and Axis Facility 1 @ Bukit Raja, Selangor. Axis REIT assumed a slight decline in core net profit of 1.3% in 3Q24 as higher maintenance costs and higher interest expenses offset the improvement in NPV. As of 30 Jun 2024, the occupancy rate of its properties was 96% and 96%. We believe that Axis REIT has achieved and maintained 3.0% and 6.0% of tenants due for expiry in 2024.

Risks to our call include: (i) a higher-than-expected risk-free rate, (ii) default on rental payments by tenants.

Research by kenanga
24 July 2024

Axis REIT
Brighter Industrial Rental Outlook in Johor

By Clement Chan | clement.chan@kenanga.com.my

MARKET PERFORM
Price: RM1.87
Target Price: RM1.82

Share Price Performance
YTD KLCI chg 12.0%
YTD stock price chg 4.5%

Block Information
Year: 2023A, 2024F, 2025F, 2026F
Revenue: 264, 306.6, 305.3, 305.3
EPS: 0.7, 0.8, 0.9, 0.9
Dividend Yield: 3.8%, 3.9%, 4.0%, 4.0%

Valuations
Mainstream
Values: Maintain TP of RM1.82 based on a FY25F net distribution of 5.5c against a target yield of 3.25% (derived from a 1.5% yield spread above our 15-year MRR assumption of 4.75%). There is no adjustment to our TP based on ESG given a 3-star rating as approved by us (see Page 4).

Risks to our call include: (i) a sustained elevated risk-free rate, (ii) over-capacity of industrial real estate resulting in depressed rental and occupancy rates, and (iii) default on rental payments by tenants.

Shahab Consultant
October 29, 2024

Axis REIT (AKB HK)
3Q24: Earnings on track

BUY

Share Price: HK\$1.80
3Q24 Target: HK\$1.45
3Q24 Target: HK\$1.45

Company Description
Axis REIT operates as a real estate investment trust that owns, and invests in commercial, office, and industrial real estate.

Statistics
3Q High Flow (RM): 1,911.24
3Q Net Income (RM): 306.6
Free Float (%): 72.4
Issued Share: 1,547
Market Capitalization: MYR3.38
Enterprise Value: 5,037.79

Major Shareholders
Employees Provident Fund: 96.0%
Khazanah Nasional Berhad: 6.4%

Key Performance Indicators
EPS Growth (%): 8.9
EPS Growth (%): 8.9
EPS Growth (%): 8.9

Performance
YTD KLCI chg 10.7%
YTD stock price chg 1.1%

Block Information
Year: 2023A, 2024F, 2025F, 2026F
Revenue: 264, 306.6, 305.3, 305.3
EPS: 0.7, 0.8, 0.9, 0.9
Dividend Yield: 3.8%, 3.9%, 4.0%, 4.0%

Valuations
Mainstream
Values: Maintain BUY with an unchanged TP of RM1.82. Our TP is based on a FY25F net distribution of 5.5c against a target yield of 3.25% (derived from a 1.5% yield spread above our 15-year MRR assumption of 4.75%). There is no adjustment to our TP based on ESG given a 3-star rating as approved by us (see Page 4).

midf RESEARCH
28/10/2024

Axis REIT
Stable Earnings in H1FY24

Unchanged Target Price: RM2.12

KEY INVESTMENT HIGHLIGHTS

- H1FY24 earnings within expectations
- Stable earnings in H1FY24
- Earnings forecast maintained
- Maintain BUY with an unchanged TP of RM2.12

RETURN STATISTICS

	2024E	2025F	2026F
Expected share price (RM)	1.87		
Expected share price yield (%)	+13.4%		
Expected dividend yield (%)	+4.2%		
Expected total return (%)	+17.6%		

3QFY24 earnings within expectations
Axis REIT 3QFY24 core net income of RM79.5m came in within expectations, making up 32% and 40% of our and consensus full year estimates respectively. Axis REIT announced second distribution per unit (DPU) of 2.35sen (ex-date: 31 Aug 2024) for 3QFY24, bringing total DPU to 4.55sen in H1FY24.

Stable earnings in H1FY24
Separately, 3QFY24 core net income was marginally lower at RM73m (+1.0%qoq) despite higher topline (+1.3%qoq). The decrease in earnings were partly due to higher Islamic financing cost (+9.3%qoq). On yearly basis, 3QFY24 core net income was higher (+10%yoy), bringing H1FY24 cumulative core net income higher at RM139.8m (+17.0%yoy). The earnings growth was in line with higher topline (+9.7%yoy) which were driven by rental contribution from Bukit Raja Distribution Centre 2, positive rental revision and contribution from newly acquired assets namely Axis Hypersmart @ Terenoh and Axis Facility 1 @ Bukit Raja which was completed in H1FY24. Meanwhile, Axis REIT completed three assets acquisition in July 2024 which should support asset growth in 2H24. On the other hand, Islamic financing cost support asset growth in H1FY24 (+15.2%yoy) mainly due to increase in OMR by 25bps in May 2023.

Earnings forecast maintained
We make no changes to our earnings forecast for FY24/25/26. We see stable earnings prospect for Axis REIT in the medium to long term as performance of industrial assets in Malaysia is expected to remain resilient on the back of stable demand for industrial space in Malaysia. Besides, Axis REIT is expanding its assets under management. Via acquisitions which should continue to underpin earnings and DPU growth. Note that Axis REIT has total estimated value of target acquisitions of RM2.00.

Maintain BUY with an unchanged TP of RM2.12
Our TP for Axis REIT is maintained at RM2.12, based on Dividend Discount Model (DDM). We continue to favour Axis REIT which is an industrial asset focused REIT which healthy demand for industrial assets should continue to drive earnings growth of Axis REIT. Besides, the rental contribution from newly acquired assets should support earnings growth in 2H24. Hence, we maintain our BUY call on Axis REIT. Meanwhile, distribution yield is estimated at 4.2%.

midf RESEARCH
29/10/2024

Axis REIT
Earnings Growth Driven by Newly Acquired Assets

Unchanged Target Price: RM2.14

KEY INVESTMENT HIGHLIGHTS

- H1FY24 earnings within expectations
- Earnings growth driven by newly acquired assets
- Earnings forecast maintained
- Maintain BUY with an unchanged TP of RM2.14

RETURN STATISTICS

	2024E	2025F	2026F
Expected share price (RM)	1.81		
Expected share price yield (%)	+19.2%		
Expected dividend yield (%)	+4.5%		
Expected total return (%)	+23.6%		

3QFY24 earnings within expectations
Axis REIT 3QFY24 core net income of RM120.7m came in within expectations, making up 78% and 74% of our and consensus full year estimates respectively. Axis REIT announced third distribution per unit (DPU) of 2.35sen (ex-date: 11 November 2024) for 3QFY24, bringing total DPU to 6.60sen in H1FY24.

Earnings growth driven by newly acquired assets
Separately, 3QFY24 core net income increased to RM40.9m (+4.9%qoq) mainly due to contribution from newly acquired assets namely Axis Vista 2, Axis Industrial Facility @ Batu Caves and Axis Industrial Facility @ Serdang. On yearly basis, 3QFY24 core net income was higher (+4.1%yoy), bringing 3QFY24 cumulative core net income higher at RM120.7m (+14.2%yoy). The higher earnings were mainly driven by lease commencement of Bukit Raja Distribution Centre 2, positive rental revision and contribution from five newly acquired assets. Meanwhile, Islamic financing cost increased (+18.7%yoy) in H1FY24 due to additional financing for the acquisition of assets and increase in OMR by 25bps in May 2023.

Earnings forecast maintained
We maintain our earnings forecast for FY24/25/26. Earnings prospect for Axis REIT is expected to remain stable given its earnings contribution from industrial assets are resilient. The healthy demand for industrial space underpins positive rental revision and thus support earnings growth in the medium to long term. Besides, the active acquisition strategy of Axis REIT will also drive earnings and DPU growth. Note that Axis REIT has total estimated value of target acquisitions of RM2.00.

Maintain BUY with an unchanged TP of RM2.12
We maintain our TP for Axis REIT at RM2.12, based on Dividend Discount Model (DDM). We remain positive on Axis REIT as we see stable industrial assets in Malaysia. Hence, we maintain our BUY call on Axis REIT. Meanwhile, distribution yield is estimated at 4.3%.

MANAGER'S DISCUSSION AND ANALYSIS

Selected Media Coverage

第三季净赚3777万
AXIS产托派息2.35仙

(吉隆坡 28 日讯) 营运维修费用走高, AXIS 产托 (AXREIT, 5106, 主板产托股) 2024 财年第三季, 净利润同比下跌 11.13%, 至 3777 万令吉, 不过仍宣布派息 2.35 仙。

该产托周一向大马交易所报盘, 第三季营业额年增 11.78%, 至 8027 万令吉。首 9 个月来看, 营业额年增 10.41%, 至 2 亿 3234 万令吉; 净利润则年增 10.67%, 至 1 亿 1899 万 3000 令吉。

该产托表示, 继续乐观看待现有产业投资组合, 并积极追求优质投资的增长策略, 相信现财年的业绩表现, 可在接下来继续保持。

展望未来, AXIS 产托执行董事兼总执行长梁洁美表示, 有信心产托旗下 69 个单位, 能继续推动增长。

至于每股派息 2.35 仙, 除权日落在 11 月 11 日, 派发日定在 29 日。

AXIS 产托闭市收报 1.81 令吉, 起 1 仙或 0.6%, 成交量 25 万 3100 股。




梁洁美

Axis-Reit beli 2 kemudahan gudang berharga RM158.644 juta di Pelabuhan Klang



KUALA LUMPUR 28 Ogos – Pemegang amarah Axis Real Estate Investment Trust, RHB Trustees Berhad telah memulau dua perjanjian jual beli untuk memperoleh dua kemudahan gudang, daripada Malcorp Depot (M) Sdn. Bhd. dan Dayang Mewah Sdn. Bhd. berjumlah RM158.644 juta.

BUSINESS TIMES
Axis REIT takes over two Cycle & Carriage auto service centres for RM125.1m



Axis Real Estate Investment Trust (REIT) is taking over two auto service centres from Cycle & Carriage Bintang Bhd (CCB) in a deal worth RM125.1 million.

KUALA LUMPUR: Axis Real Estate Investment Trust (REIT) is taking over two auto service centres from Cycle & Carriage Bintang Bhd (CCB) in a deal worth RM125.1 million.

Axis-REIT Jana RM449.73 Juta Menerusi Penempatan Persendirian Tertinggi

30/10/2024 11:14 AM



KUALA LUMPUR, 30 Okt (Bernama) -- Axis Real Estate Investment Trust (Axis-REIT) berjaya menjana sebanyak RM449.73 juta menerusi langkah penempatan persendirian yang tertinggi setakat ini.

Hasil yang dijana itu akan dimanfaatkan bagi menyokong strategi untuk meneruskan pengambilalihan berkualiti tinggi dan meningkatkan portfolio sedia ada bagi meraih pulangan serta nilai mampan untuk faedah pemegang unit.

Ketua Pegawai Eksekutif merangkap Pengarah Eksekutif Axis-REIT Managers Bhd Leong Kit May berkata penempatan persendirian yang terbesar setakat ini, juga memaparkan keyakinan pasaran

The Star
Axis-REIT to sustain earnings



HLIB Research has raised its earnings forecasts by 3.7% and 1.9% for the financial years of 2024 and 2025, respectively.

PETALING JAYA: Axis Real Estate Investment Trust (Axis-REIT) is expected to sustain its earnings in subsequent quarters, driven by the demand for industrial space. Its acquisitions, all completed this month, are seen to provide further growth.

HLIB Research to raise its earnings forecasts for Axis-REIT to 3.7% and 1.9% for the financial years of 2024 and 2025, respectively.

Axis-REIT, which owns 64 properties, is also expected to benefit from occupancy rates, said HLIB Research.

With 177 tenants, Axis-REIT's occupancy rate stood at 89%.

Meanwhile, out of the 17.6% of total net lettable area up for renewal tenancies have renewed while an additional 8.6% has been re-tenant.

MIDF Research expects stable earnings prospects for Axis-REIT in the coming quarters on the back of stable demand for local industrial space.

"Besides, Axis-REIT is expanding its assets under management via acquisitions, which should continue to underpin earnings and distribution per unit growth."

南洋
德和利富伙伴

【行家论股】AXIS产托 柔工业租金看涨



行家建议:
AXIS产托2024上半年累积核心净利润年增20%, 至7960万令吉, 符合预期, 符合2024年全年预测的48%。

这主要归功于武吉拉惹地区 (Bukit Raja) 第二分销中心的首次贡献, 以及租金率回升。

随着数据中心投资推升柔佛工业地产的价格, 有35%资产坐落在柔佛的AXIS产托, 租金回报率将水涨船高。

我们预计, 该产托的工业资产租金回报率, 料将从此前的5%, 提高至15%。

基于柔佛工业资产的前景亮眼, 我们上调2025财年的盈利预测, 幅度为4%。

同时, 该产托也积极寻找高收益的工业资产, 4月份以3.13亿收购雪州巴生的Amsteel Mills 工业园区, 相信会在2025财年带来2300万令吉的租金收入。

整体而言, 我们继续看好AXIS产托, 维持“跟随大市”评级, 目标价从1.72令吉, 上修至1.82令吉。



Axis-REIT keeps up strong performance

PETALING JAYA: Axis Real Estate Investment Trust (Axis-REIT) remains optimistic that in view of the satisfactory performance of its existing property portfolio and its growth strategy to actively pursue quality investments, it will be able to maintain its positive performance for the coming financial year ending Dec 31, 2025.

The investment manager released its whole year results for 2024 yesterday, registering a total trust income for the fourth quarter of financial year 2024 (4Q24) of RM87.8mil, a 16.2% year-on-year (y-o-y) growth from a year earlier.

Net profit however, dipped 17.4% y-o-y to RM91mil.

For the whole of 2024, the investment manager saw total revenue increasing to RM320.1mil, representing an 11.9% y-o-y climb, although earnings saw a fractional 3.6% slide to RM210mil.

Axis-REIT declared a dividend of 2.37 sen per share for 4Q24, which brought its total dividends declared for 2024 to 9.27 sen per share, a 7.2% y-o-y improvement from 2023.

MANAGER'S DISCUSSION AND ANALYSIS

Awards and Recognition

KSI MALAYSIAN PROPERTY EXCELLENCE & SUSTAINABILITY AWARD 2024

Axis-REIT

THE EDGE BEST MANAGED & SUSTAINABLE PROPERTY AWARDS 2024

Crystal Plaza – **Bronze**

THE EDGE ESG AWARDS 2024

Silver

THE BEST OF THE BREEDS REIT AWARDS 2024

Best CEO – **Platinum**
 Best CFO – **Platinum**
 Best Industrial REIT – **Platinum**
 Best Islamic REIT – **Platinum**

THE ASSET ESG CORPORATE AWARDS 2024

Gold

NACRA EXCELLENCE AWARDS 2024

Silver
 (RM2 billion to RM10 billion in market capitalisation)

ALPHA SOUTHEAST ASIA

Best REIT Deal of the Year in Asia on Axis REIT's RM175 million primary placement



ESG Benchmarks and Indexes

FTSE RUSSELL ESG

4-star rating

Constituent of:

- i) FTSE4Good Bursa Malaysia Index; and
- ii) FTSE4Good Bursa Malaysia Shariah Index

GRESB REAL ESTATE BENCHMARK

Peer group ranking: 2nd out of 6 peers

GRESB PUBLIC DISCLOSURE REPORT

A

MORNINGSTAR SUSTAINALYTICS

Low ESG Risk

MSCI ESG RATINGS

BB



MANAGER'S DISCUSSION AND ANALYSIS

Market Outlook & Priority

Malaysia is expected to see continued economic expansion going into 2025, with GDP growth forecast at between 4.5% and 5.5%. This will be supported by resilient household spending as well as increased investment activity and strong exports amid the global tech upcycle and robust demand for non-Electrical and Electronic (non-E&E) goods, among others.

Demand for strategically-located, modern industrial properties is expected to be sustained by continued investments into the manufacturing and logistics sectors, along with accelerated growth of new sectors such as data centre properties.

Amid these favourable conditions, we target to increase the Fund's AUM to RM10 billion by the end of 2030, from RM5.26 billion as at 31 December 2024.

With this ambitious target in mind, we will continue to implement a disciplined investment strategy in pursuing potential acquisitions and development projects. We will seek properties that fit our investment focus, are yield accretive, and meet our sustainability requirements. These will include properties that offer potential for future development and capital appreciation, as well as single-tenanted properties and properties with triple net lease tenancies.

We will also ensure our financial position and capital management strategy are aligned with these expansion plans. Towards this end, we will consider diversifying our capital sources through new Sukuk issuances, unsecured financing, as well as capital recycling through divestments and the reallocation of funds to higher-performing properties.

Within our operations, we will continue our tenant management initiatives to maintain tenant satisfaction levels and sustain a high property portfolio occupancy rate. We will continue to invest in strategic AEs to ensure our properties remain updated and sought-after, and implement ESG initiatives to achieve our targets in energy and carbon reduction, as well as water and waste management.

A key sustainability initiative in 2025 will be to conduct a climate scenario analysis, which is the next essential step in meeting the disclosure requirements of the IFRS S2, having concluded the climate-related risks and opportunities assessment in 2024. The climate scenario analysis will also guide our development of a comprehensive sustainability roadmap that identifies specific actions, milestones, and timelines in our efforts to reduce GHG emissions to as close to zero (carbon neutrality) or to achieve net zero by 2050 or earlier.

We still target to obtain at least 1 additional green building certification every year. We have also initiated plans to extend our Scope 3 GHG emissions disclosures as we ramp up our reporting to enhance accountability and transparency in accordance with the NSRF and Bursa Securities' updated MMLR.

Details of our 2025-2026 plans and KPIs are presented in our Corporate Strategy 2025-2026, which is presented on pages 99 to 105 of this Report. The Corporate Strategy 2025-2026 brings together our strategic, financial, and sustainability priorities, and reinforces the Fund's growth and sustainability ambitions for the years ahead.

MANAGER'S DISCUSSION AND ANALYSIS

TARGETS & KPIs



Real Estate

- To maintain tenant satisfaction survey rating at above 70%
- To maintain *Hello Axis* Service Request Satisfaction Ratings at above 80%
- To maintain portfolio occupancy rate at above 90%
- To obtain at least 1 green building certification for our portfolio every year



Capital Management

- To grow Axis-REIT's AUM to RM10 billion by the end of 2030
- To issue at least RM100 million in rated/unrated corporate Sukuk



Facilities Management

- To obtain energy data from tenants
- To reduce water consumption by 1% over 5 years (2022–2026)
- To reduce energy use and GHG emissions by 1% over 5 years (2022–2026)
- To reduce waste disposed to landfills by 10% over 5 years (2023–2027)



Investment

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



Development

- To focus on new development projects that positively impact the Fund



Governance

- Providing annual training on the Anti-Corruption & Fraud (ACF) Policy, Personal Data Protection Act 2010 (PDPA), and cybersecurity
- To maintain zero reported cases of discrimination in the workplace
- To conduct at least 2 employee health and well-being training sessions and at least 2 employee group activity sessions
- To maintain zero cybersecurity breaches
- To monitor and report PDPA compliance status