



REAL ESTATE INVESTMENT TRUST  
(a real estate investment trust constituted under the laws of Malaysia)

**SUMMARY OF MINUTES OF SEVENTH ANNUAL GENERAL MEETING (“AGM” or “MEETING”) HELD AT BALLROOM 1, SHERATON PETALING JAYA HOTEL, JALAN UTARA C, 46200 PETALING JAYA, SELANGOR DARUL EHSAN ON TUESDAY, 30 APRIL 2019 AT 10.00 A.M.**

Present: Directors:  
Tew Peng Hwee @ Teoh Peng Hwee (Chairman of Meeting)  
Leong Kit May  
Mohd Sharif Bin Hj Yusof  
  
Others as per attendance list

**1. SUMMARY OF AGM OF AXIS REAL ESTATE INVESTMENT TRUST (“AXIS-REIT”)**

There was a quorum present for the AGM and the Unitholders of Axis-REIT, present in person and by proxy, were informed that the voting at the Meeting would be by poll in line with the requirements of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The following is the extract of the Minutes of the AGM on the businesses transacted and resolutions passed at the Meeting:

**ORDINARY BUSINESS: AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 TOGETHER WITH THE REPORTS THEREON**

*The Audited Financial Statements (“AFS”) of Axis-REIT for the financial year ended 31 December 2018 (“FYE2018”) and the Reports attached thereon were tabled and laid before the Meeting. The Chairman informed the Meeting that there shall be no voting on this ordinary business as the AFS was for discussion only.*

*The Chairman then invited questions from those present at the AGM.*

*The salient enquiries and comments made by the Unitholders and proxies as well as the responses from the Board and Management were as follows:-*

- 1. The first enquiry was raised by a Unitholder on the prospects of the real estate investment trust (“REIT”) industry in next 5 years.*

*The CEO expressed her confidence on the positive prospects of REITs in Malaysia, premised on the following reasons:-*

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- *Most of the listed REITs had recorded good dividend yield in the past 12 months.*
- *New supply of retail, hotel and office spaces in the market had led to oversupply situation. Nevertheless, the listed REITs were found to be still able to achieve good financial performance and deliver a good return to the unitholders. The CEO believed that the supply-demand equilibrium would be achieved in the near future.*
- *An active body championing the interests of the Malaysian REITs i.e. the Malaysian REIT Managers Association who has taken initiatives to have dialogues and engagements with the regulatory authorities with intention of securing better incentives for the REIT investors.*
- *REITs enjoy tax exemption if at least 90% or more of the total realised income is distributed to the unitholders.*
- *Interest rate is expected to decline in the next half year of 2019. REIT stands to benefit from such interest rate cut environment. The return from the distribution payout of REITs is relatively higher than the fixed deposit interest rate.*

*The CEO commented that with the prospective acquisitions in the pipeline, coupled with the intention to develop the second phase of Axis Mega Distribution Centre ("Phase 2 of Axis Mega DC"), these are expected to stimulate the growth of Axis-REIT and thus, generating a good return to the Unitholders of Axis-REIT.*

2. *A Unitholder requested for an update on the status of Phase 2 of Axis Mega DC.*

*The CEO gave a brief background information on Axis Mega DC where half of the land had been developed with the construction of a warehouse logistics facility for Nestlé Products Sdn. Bhd. duly completed in January 2018. As Phase 1 of Axis Mega DC only involved half of the industrial land, the Manager targets to embark on the second phase development of the said land in the near future.*

*The Manager has mobilised initiatives to promote Phase 2 of Axis Mega DC in order to secure a pre-commit tenant prior to the commencement of the development.*

3. *Another Unitholder raised the following questions and the answers were provided by the Chairman and the Management:-*

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*(a) Effects of new acquisitions on gearing ratio of Axis-REIT*

*The Manager's capital management strategy for Axis-REIT involves adopting and maintaining an appropriate debt-equity structure with gearing to be maintained within the prescribed limit.*

*The gearing ratio of Axis-REIT as at 31 December 2018 stood at 37.30% and the total asset of Axis-REIT was approximately RM3.0 billion. As an illustration, the funding for a new acquisition of RM150.0 million, if undertaken, will increase the gearing ratio by not more than 5%. Hence, gearing ratio would only increase to a maximum of 42%.*

*Axis-REIT is able to leverage on borrowings to make permitted investments that will enhance the returns to Unitholders. Under the Guidelines on Listed REITs of the Securities Commission Malaysia ("SC"), Axis-REIT is permitted to procure borrowings not exceeding 50% of its total asset value. The Manager may reduce the gearing ratio through the issuance of new units of up to 20% of the issued fund size of Axis-REIT by way of placement exercise, where such authority is to be renewed at the AGM.*

*(b) Dilution of unitholding of the minority unitholders arising from the placement exercise pursuant to the general mandate*

*Axis-REIT will have the flexibility to issue and allot new units under the general mandate to raise funds to finance future investments, acquisitions and capital expenditure project(s) to enhance the value of Axis-REIT and/or to refinance existing debt as well as for working capital purposes.*

*The primary objectives of Axis-REIT are to provide Unitholders with a stable and growing distribution of income and to achieve long-term growth in the net asset value per unit. Through the private placement exercise, the Manager will be able to grow the fund size and portfolio of Axis-REIT. As such, the Unitholders are not only stand to benefit from the income distribution payouts and capital gain but also from the appreciation in net asset value per unit. The net asset per unit of Axis-REIT has increased from approximately RM0.60 to RM1.30 over the past 13 years.*

*The Manager has encouraged the Unitholders to exercise the Income Distribution Reinvestment Plan ("IDRP") by offering a generous discount on its exercise price, where the exercise price of such new units is allowed to have up to 10% discount to the 5-day volume*

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*weighted average market price immediately prior to the price-fixing date.*

*The CEO also added that the discount applied to the latest completed IDRPs was 7% and the Unitholders who have elected to reinvest their income distribution have registered a return of up to 29.5%.*

*(c) Mechanism to implement IDRPs*

*Axis-REIT's mandate to allot and issue new units in Axis-REIT for the purpose of IDRPs, that provides the Unitholders of Axis-REIT the option to reinvest their income distribution in new units of Axis-REIT, has been in force for the past 7 years. The latest IDRPs was implemented and completed in December 2018.*

*When the Board has decided that the IDRPs shall apply to an interim income distribution, Axis-REIT will release the relevant announcement to Bursa Malaysia Securities Berhad, stating the issue price and the discount applicable to the IDRPs. Advertisement on the notice of book closure date and application of the IDRPs will also be made. The notice of election in relation to the IDRPs will be despatched to the entitled Unitholders, with several options for the Unitholders' consideration and action.*

*The CEO also highlighted that Axis-REIT is the only one amongst the Malaysian REITs which has offered IDRPs to the Unitholders. The Manager has put in efforts to reward the Unitholders and encourage the Unitholders to participate in the IDRPs. Axis-REIT would absorb the stamp duty payable on each IDRPs form if the unitholding of an entitled Unitholder is below a certain amount.*

*Other comments raised were some suggestions for Management's consideration.*

*There being no more questions raised, the Chairman declared that the AFS for FYE2018 together with the Reports attached thereon, as tabled before the Meeting, be received.*

**SPECIAL BUSINESS: ORDINARY RESOLUTION NO. 1****PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW UNITS IN AXIS-REIT ("UNITS") OF UP TO 20% OF THE ISSUED FUND SIZE OF AXIS-REIT, TO FACILITATE A PLACEMENT EXERCISE ("PROPOSED RENEWAL OF AUTHORITY")**

*The Ordinary Resolution No. 1 is as follows:*

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**“THAT** pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”), and subject to requisite approvals being obtained, approval be hereby given to the Directors of Axis REIT Managers Berhad (“Manager”) to allot and issue new Units, to facilitate Axis-REIT in raising funds via a placement exercise (“Proposed Placement”), at any time to any such persons, upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of new Units to be issued pursuant to this resolution, when aggregated with the number of Units issued during the preceding 12 months, does not exceed 20% of the issued fund size of Axis-REIT;

**THAT** such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders’ meeting,

whichever is the earliest;

**THAT** such new Units to be issued under the Proposed Placement (“Placement Units”) shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the Placement Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared, made or paid before the date of allotment and issue of the Placement Units;

**AND THAT** authority be and is hereby given to the Directors of the Manager and RHB Trustees Berhad (“Trustee”) (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of Authority.”

The Chairman informed that the poll would be conducted later and invited questions from those present who were entitled to vote.

There being no questions raised, the Chairman proceeded to the final special business on the Agenda.

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**SPECIAL BUSINESS: ORDINARY RESOLUTION NO. 2****PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE UP TO 138,425,476 NEW UNITS IN AXIS-REIT FOR THE PURPOSE OF THE INCOME DISTRIBUTION REINVESTMENT PLAN ("IDRP") THAT PROVIDES THE UNITHOLDERS OF AXIS-REIT THE OPTION TO REINVEST THEIR INCOME DISTRIBUTION IN NEW UNITS ("PROPOSED RENEWAL OF IDRPA AUTHORITY")**

The Ordinary Resolution No. 2 is as follows:

**"THAT** pursuant to the approval from the Unitholders obtained on 21 August 2015 for, among others, the renewal of the authority to allot and issue new Units for the purpose of the IDRPA, approval be and is hereby given to the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), to renew the authority in order to empower the Board to allot and issue new Units from time to time pursuant to the IDRPA upon such terms and conditions as they may, in their absolute discretion, deem fit and in the best interest of Axis-REIT, provided that the aggregate number of the new Units to be issued pursuant to this resolution does not exceed 138,425,476 new Units;

**THAT** such authority, once renewed, shall continue to be in force until:

- (i) the conclusion of the next AGM of Axis-REIT following this AGM where the Proposed Renewal of IDRPA Authority is passed, at which time the authority will lapse, unless by a resolution passed by the Unitholders at that AGM, such authority is renewed; or
- (ii) the Proposed Renewal of IDRPA Authority is revoked or varied by a resolution passed by the Unitholders at a Unitholders' meeting,

whichever is the earliest;

**THAT** such new Units to be issued under the Proposed Renewal of IDRPA Authority shall, upon allotment and issue, rank equally in all respects with the Units already in existence except that the Units will not be entitled to any distributable income, right, benefit, entitlement and/or any other distributions that may be declared, made or paid before the date of allotment and issue of such Units;

**AND THAT** authority be and is hereby given to the Directors of the Manager and the Trustee (acting for and on behalf of Axis-REIT), to give effect to the Proposed Renewal of IDRPA Authority including but not limited to the creation of the requisite new Units and with full powers to assent to any condition, modification, variation, arrangement and/or amendment in relation to the Proposed Renewal of IDRPA Authority as they may deem fit in the best interest of Axis-REIT and/or as may be imposed by the relevant authorities **AND FURTHER THAT** the Directors

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*of the Manager and the Trustee (acting for and on behalf of Axis-REIT), are to implement, finalise, complete and do all such acts and things (including executing such documents as may be required) in relation to the Proposed Renewal of IDRP Authority.”*

*The Chairman again informed that the poll would be conducted later and invited questions from those present who were entitled to vote.*

*There was no question raised on this final Ordinary Resolution.*

**2. RESULTS OF THE POLL AND CLOSURE OF MEETING**

Boardroom Share Registrars Sdn Bhd (formerly known as Symphony Share Registrars Sdn Bhd) was the Poll Administrator to conduct the polling process and Deloitte Risk Advisory Sdn Bhd (formerly known as Deloitte Enterprise Risk Services Sdn Bhd) was the Scrutineers to verify the poll results at the AGM.

The finalized and verified poll results in respect of all the Ordinary Resolutions were as follows:

Resolution	Vote For		Vote Against	
	No. of Units	%	No. of Units	%
<b>Ordinary Resolution No. 1</b> Proposed Renewal of Authority	784,564,344	99.0179	7,781,231	0.9821
<b>Ordinary Resolution No. 2</b> Proposed Renewal of IDRP Authority	907,111,032	100.00	0	0.00

Both the Ordinary Resolutions as tabled were duly carried.

The AGM was closed at 11.40 a.m.

[END]