

2Q
2017

Axis REIT Managers Berhad Results Presentation



25 July 2017

Our Milestones



- ✓ Assets Under Management RM296 million → RM2.25 billion
- ✓ Space Under Management 978,000 sq ft → 7,432,482 sq ft
- ✓ Properties 5 → 38
- ✓ Fund Size RM206 million → RM1.39 billion
- ✓ Valuation Gain since listing RM301,000,000
- ✓ First REIT to be listed on Bursa Malaysia
- ✓ First REIT to convert into an Islamic REIT
- ✓ First REIT to introduce the Income Distribution Reinvestment Plan
- ✓ First REIT to implement Unit Split
- ✓ Axis-REIT has undertaken first built-to-suit development



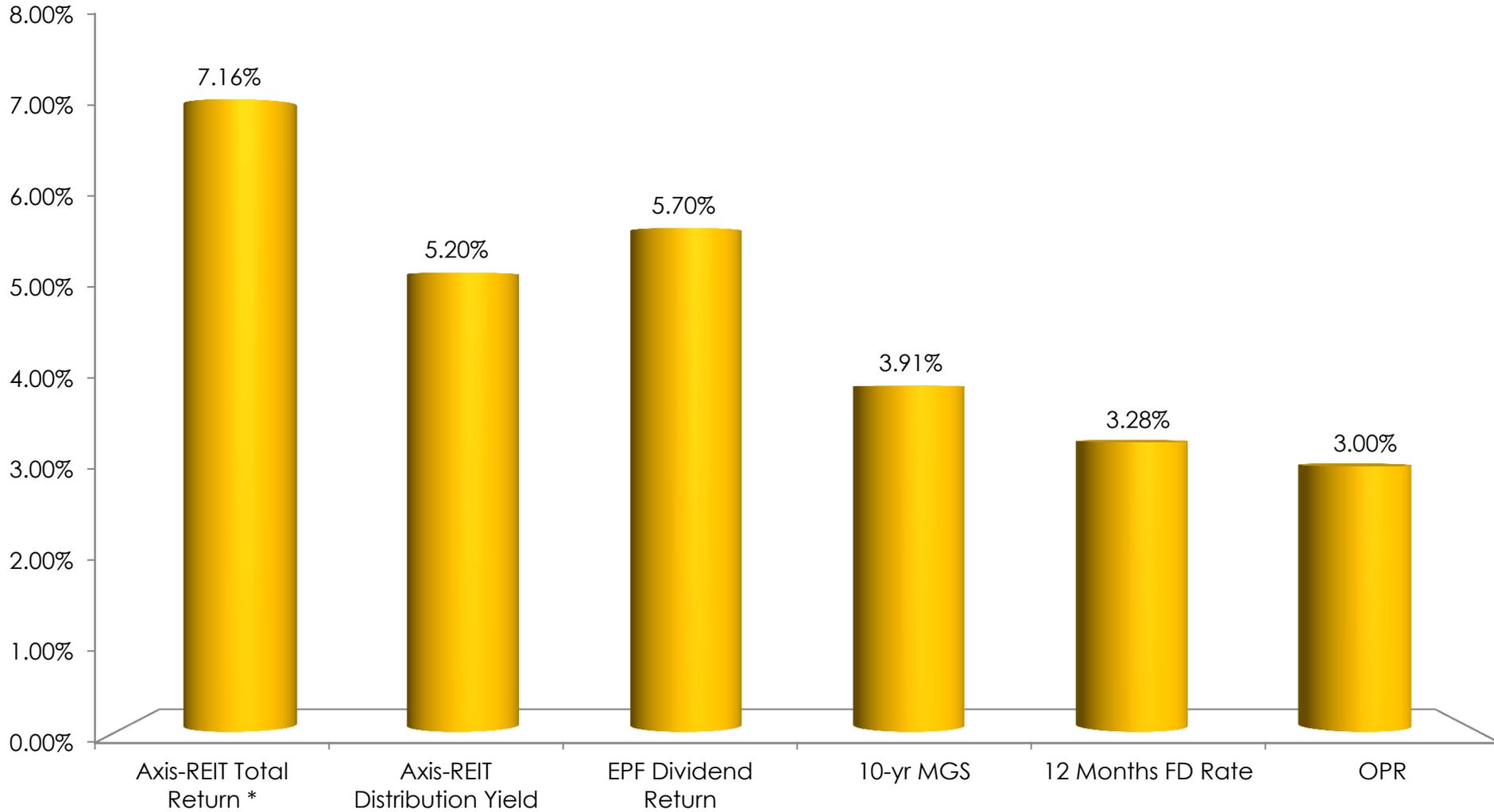
1H2017 HIGHLIGHTS

RM 2,202,323,000



- ✓ Completed the disposal of Axis Eureka for RM56.1 million on 8 March 2017.
- ✓ Completed the acquisition of Kerry Warehouse located at Pasir Gudang, Johor for RM33.0 million on 24 July 2017.
- ✓ Successfully signed the Sales & Purchase Agreement for the acquisition of an industrial facility located at Kuantan, Pahang for a purchase consideration of RM155.0 million on 24 July 2017.
- ✓ Acceptance of a Letter of Offer to acquire an industrial facility for RM50.0 million located at Iskandar Puteri, Johor on 7 April 2017.
- ✓ Close to 1 million sq. ft. of space locked in through tenancy renewals and new tenants secured.
- ✓ Declared 4.32 sen DPU for 1H2017, which comprises 4.20 sen per unit from performance and 0.12 sen per unit from the gain on disposal of Axis Eureka.
- ✓ Currently trades at a premium of 30% to NAV.
- ✓ Number of unitholders has been increased from 3,891 to 4,011.

1H2017 Return Comparatives



* (Based on annualised DPU from operations + movement in market price)/opening market price as at 1 January 2017)

A photograph of a large, modern industrial building with a white facade and a dark green roof. The building has several large windows and a prominent entrance. The text "LF LOGISTICS" is visible on the upper part of the building. In front of the building, there are several flags on poles, including the Malaysian national flag and a red flag. The sky is blue with scattered white clouds. The overall scene is bright and clear.

2Q2017 FINANCE REPORT

	1H2017
Total Net Income ("Realised") (RM' 000)	46,345
Income Available for Distribution ("Realised") (RM' 000)	47,953
Earnings per Unit ("EPU") ("Realised") (Sen)	4.19
Income Distribution Declared (RM'000)	47,743
Distribution per Unit ("DPU") (Sen) *	4.32
Number of Investment Properties	38
Units in Circulation (Units)	1,105,173,591
Assets Under Management (RM'000)	2,252,616
Total Financing (RM'000)	776,368
Gearing Ratio (%)	34.47%
Total Unitholder's Fund (RM'000)	1,391,914
Market Capitalization (RM'000)	1,812,485
Net Asset Value per Unit (RM)	1.2595
IPO Retail Unit Price (RM) (restated from RM1.25)	0.625
Unit Price as at 30 June 2017 (RM)	1.64
Number of Unitholders	4,011

* Second interim income distribution to be paid on 30 August 2017 including the balance gain on disposal of Axis Eureka of 0.07 sen

Income Statement 2Q2017 vs 2Q2016



	2Q2017 (RM '000)	2Q2016 (RM'000)	Changes
No. of Properties	38	38	-
Property Income	41,468	41,615	- 0.35%
Property Expenses	(6,221)	(6,839)	- 9.04%
Net Property Income	35,247	34,776	+ 1.35%
Profit Income / other income	171	161	
Non-Property Expenses	(4,044)	(4,572)	- 11.55%
Islamic Financing Cost	(7,831)	(7,954)	- 1.55%
Net Income	23,543	22,411	+ 5.05%
DPU (sen)			
- on core performance	2.10	2.05	+ 2.44%
- gain of disposal	0.07	-	
No. of units in issuance	1,105,173,591	1,105,173,591	

Note: The above financials excludes unrealised earnings due to changes in fair value of investment properties/tenants' deposits and derivatives liability.

Income Statement 1H2017 vs 1H2016



	1H2017 (RM '000)	1H2016 (RM'000)	Changes
No. of Properties	38	38	-
Property Income - Note 1	83,983	82,690	+ 1.56%
Property Expenses - Note 2	(12,762)	(13,376)	- 4.59%
Net Property Income	71,221	69,314	+ 2.75%
Profit Income / other income	349	301	
Loss on disposal of property - Note 5	(413)	-	
Non-Property Expenses - Note 3	(8,795)	(9,290)	- 5.33%
Islamic Financing Cost - Note 4	(16,017)	(15,745)	+ 1.73%
Net Income	46,345	44,580	+ 3.96%
DPU (sen)			
- on core performance	4.20	4.10	+ 2.44%
- gain of disposal	0.12	-	
No. of units in issuance	1,105,173,591	1,105,173,591	

Note: The above financials excludes unrealised earnings due to changes in fair value of investment properties/tenants' deposits and derivatives liability.

Note 1 – Property Income

Increase in property income as compared to preceding year corresponding period is mainly due to contribution of rental proceeds from Scomi Facility @ Rawang coupled with positive rental revision across the portfolio and rental of 17.6 acres land at Axis PDI Centre. This has offset the loss of rental income from Delfi Warehouse and Axis Eureka due to its disposal.

Note 2 – Property Expenses

The lower property expenses is due to the disposal of Axis Eureka which was completed on 8 March 2017.

Note 3 – Non-Property Expenses

The MER of the Fund as at 30 June 2017 is at 1.28% as compared to 1.27% for 2016.

Note 4 – Islamic Financing Cost

Increase in financing cost due to additional financing facilities utilised to fund the new acquisition.

Note 5 – Loss on disposal of property

Computation of distributable gain on disposal :

	RM'000
Disposal price	56,132
Less: Market value	<u>(55,000)</u>
	1,132
Less : <u>Incidental cost</u>	
Legal fees - SPA	(106)
Valuation fee	(28)
Agency fee	(1,059)
Disposal fee, RPGT & others	<u>(352)</u>
Loss on Disposal recognised in income statement	(413)
Add: Realisation of revaluation gain	<u>1,764</u>
Gain on Disposal	<u>1,351</u>
Translated into additional DPU	0.12 sen

Gross Yield of Investment Properties



Properties		Gross yield (%)	Average YTD gross yield = 9.5%		
1	Wisma Kemajuan	17.77%	21	Axis Vista	8.33%
2	FCI Senai	14.85%	22	Axis Technology Centre	8.27%
3	Crystal Plaza	14.52%	23	Beyonics i-Park Campus Block C	8.08%
4	Menara Axis	13.69%	24	Beyonics i-Park Campus Block B	8.06%
5	D8 Logistics Warehouse	12.14%	25	Beyonics i-Park Campus Block A	8.06%
6	Strateq Data Centre	12.06%	26	Beyonics i-Park Campus Block D	8.05%
7	Niro Warehouse	11.64%	27	Axis Shah Alam DC 3	8.02%
8	Fonterra HQ	11.36%	28	Scomi Facility @ Rawang	7.95%
9	Seberang Prai Logistic Warehouse 3	10.80%	29	Axis Steel Centre	7.85%
10	Emerson Industrial Facility Nilai	10.64%	30	Axis MRO Hub	7.82%
11	Bayan Lepas Distribution Centre	10.64%	31	Axis Shah Alam DC 2	7.74%
12	Wisma Academy Parcel	10.17%	32	Quattro West	7.67%
13	Seberang Prai Logistic Warehouse 1	9.85%	33	Axis Steel Centre@ SiLC	7.46%
14	Giant Hypermarket, Sungai Petani	9.48%	34	BMW Centre PTP	6.72%
15	Bukit Raja Distribution Centre	9.48%	35	The Annex	5.94%
16	Axis Shah Alam DC 1	9.42%	36	Axis Business Campus	2.02%
17	Seberang Prai Logistic Warehouse 2	9.38%	37	Delfi Warehouse	-
18	Axis Business Park	9.20%	38	Axis PDI Centre	<i>Under development</i>
19	Tesco Bukit Indah	8.85%			
20	Infinite Centre	8.80%	13		

Net Yield of Investment Properties

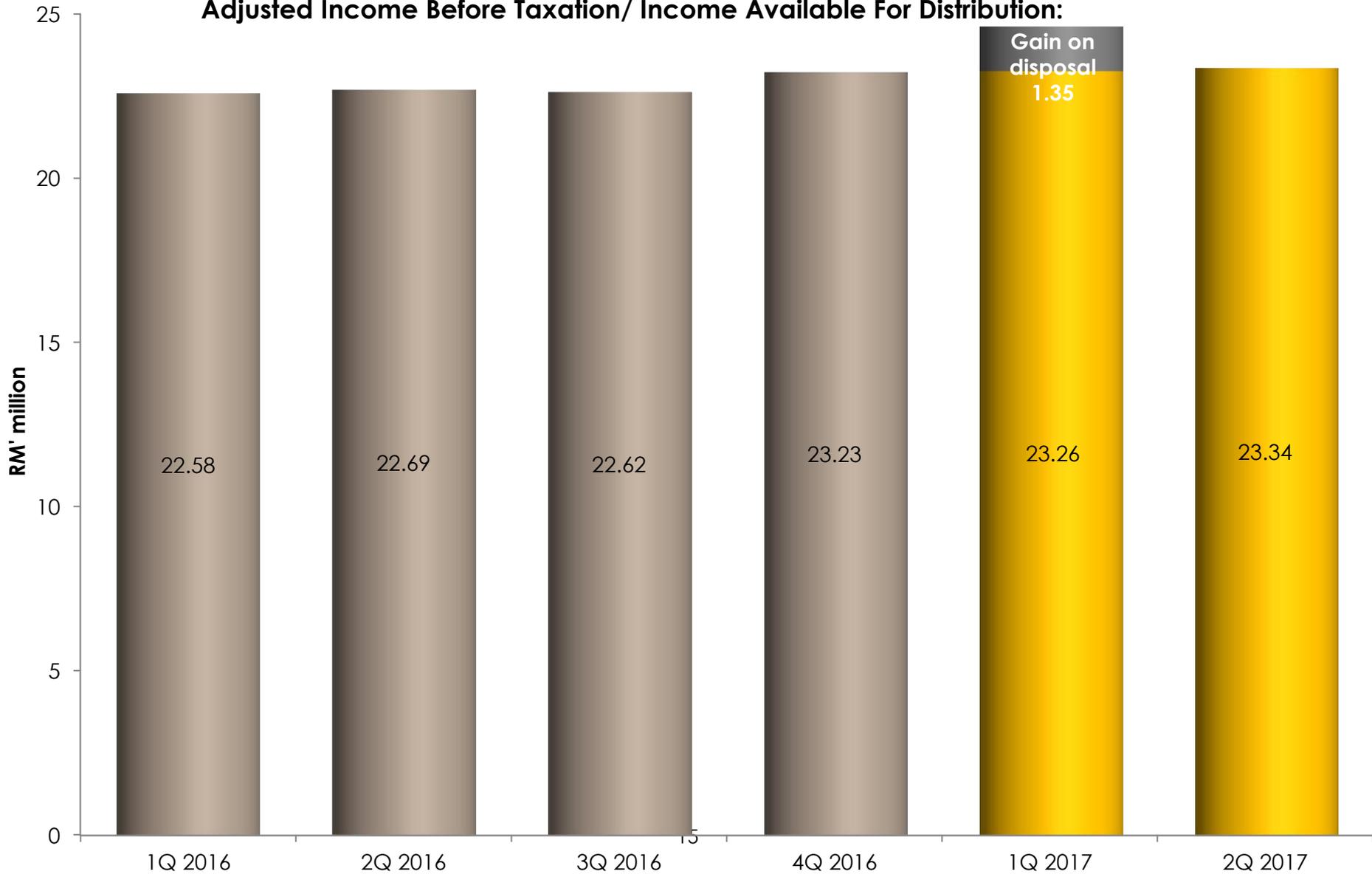


Properties	Net yield (%)	Average YTD net yield = 8.2%	
1 Wisma Kemajuan	13.65%	21 Axis Business Park	7.25%
2 FCI Senai	13.48%	22 Axis MRO Hub	7.21%
3 Crystal Plaza	12.31%	23 Axis Steel Centre@ SiLC	7.14%
4 Strateq Data Centre	11.37%	24 Axis Vista	7.05%
5 Menara Axis	11.33%	25 Beyonics i-Park Campus Block D	7.04%
6 D8 Logistics Warehouse	11.01%	26 Axis Shah Alam DC 3	7.02%
7 Niro Warehouse	10.46%	27 Beyonics i-Park Campus Block A	7.02%
8 Fonterra HQ	9.79%	28 Beyonics i-Park Campus Block B	7.02%
9 Emerson Industrial Facility Nilai	9.68%	29 Axis Shah Alam DC 2	7.01%
10 Seberang Prai Logistic Warehouse 1	9.37%	30 Beyonics i-Park Campus Block C	6.99%
11 Bukit Raja Distribution Centre	9.05%	31 Axis Technology Centre	6.48%
12 Seberang Prai Logistic Warehouse 2	8.84%	32 Infinite Centre	6.47%
13 Giant Hypermarket, Sungai Petani	8.72%	33 BMW Centre PTP	6.06%
14 Axis Shah Alam DC 1	8.54%	34 Quattro West	5.45%
15 Bayan Lepas Distribution Centre	8.39%	35 The Annex	4.28%
16 Tesco Bukit Indah	8.25%	36 Axis Business Campus	0.30%
17 Seberang Prai Logistic Warehouse 3	8.18%	37 Delfi Warehouse	-
18 Scomi Facility @ Rawang	7.45%	38 Axis PDI Centre	<i>Under development</i>
19 Axis Steel Centre	7.45%		
20 Wisma Academy Parcel	7.27%		

Income Available for Distribution



Adjusted Income Before Taxation/ Income Available For Distribution:



Proposed : 2.17 sen DPU

The **2.17 sen DPU** is based on 99.6% income available for distribution from performance of properties for the period from 1 April 2017 to 30 June 2017 and the balance gain on disposal of Axis Eureka.

DPU - on core performance	: 2.10 sen
DPU - gain on disposal of Axis Eureka (balance)	: <u>0.07 sen</u>
Total 2nd Interim DPU for 2017	: <u>2.17 sen</u>

Important dates:

Ex-date : 4 August 2017

Entitlement date : 8 August 2017

Payment date : 30 August 2017

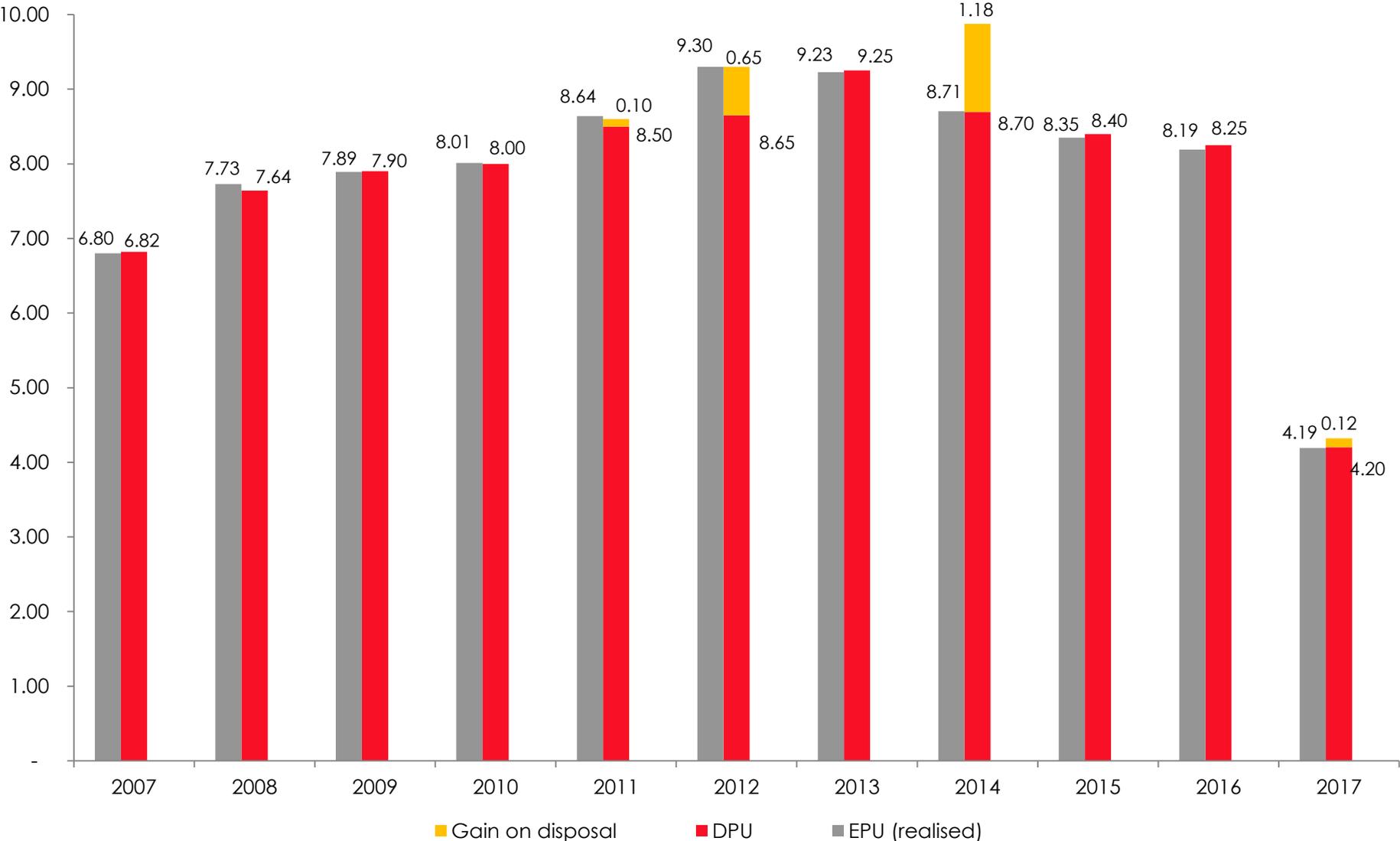
Gain on disposal of property

The disposal of Axis Eureka has resulted in a total realised gain on disposal of RM1.35 million. This gain translates to an additional income distribution of 0.12 sen per unit.

The clearance of RPGT from tax department has been obtained and therefore the Manager is pleased to report that the balance gain on disposal of Axis Eureka of 0.07 sen per unit will be paid as part of the 2nd interim 2017 income distribution.

Distribution of Gain on Disposal	Additional DPU	Payment Date
0.55 million	0.05 sen	Paid on 31 May 2017 together with 1 st interim 2017
0.88 million	0.07 sen	Payable on 30 August 2017 as part of the 2 nd interim 2017
1.35 million	0.12 sen	

Summary of Realised EPU and DPU



Statement of Financial Position



	30/06/17 (RM'000)	31/12/16 (RM'000)	Changes
Investment Properties – Note 1	2,202,323	2,198,149	+ 4,174
Fixed Assets	2,689	2,899	- 210
Other Assets – Note 2	47,604	43,226	+ 4,378
TOTAL ASSETS	2,252,616	2,244,274	+ 8,342
Borrowings – Note 3	776,368	780,665	- 4,297
Other Payables	84,334	70,638	+ 13,696
TOTAL LIABILITIES	860,702	851,303	+ 9,399
NET ASSET VALUE (NAV)	1,391,914	1,392,971	- 1,057
Unitholders' Capital – Note 4	1,060,320	1,060,320	-
Undistributed Distributable Income	20,507	19,368	+ 1,139
Non-Distributable Reserve – Note 5	311,087	313,283	- 2,196
TOTAL UNITHOLDERS' FUND	1,391,914	1,392,971	- 1,057
GEARING	34.47%	34.78%	
NAV/unit (RM)	1.2595	1.2604	
No. of units in issuance	1,105,173,591	1,105,173,591	

Note 1 – Investment Properties

Disposal of Axis Eureka was completed on 8 March 2017. During the year, a total of RM6.2 million was spent on enhancement works of the properties in the portfolio and RM53.0 million has been incurred for development cost for the Nestle DC at Axis PDI Centre.

Note 2 – Other assets

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-Mar-17	2
30-June-17	5

Statement of Financial Position – Note 3

Borrowings



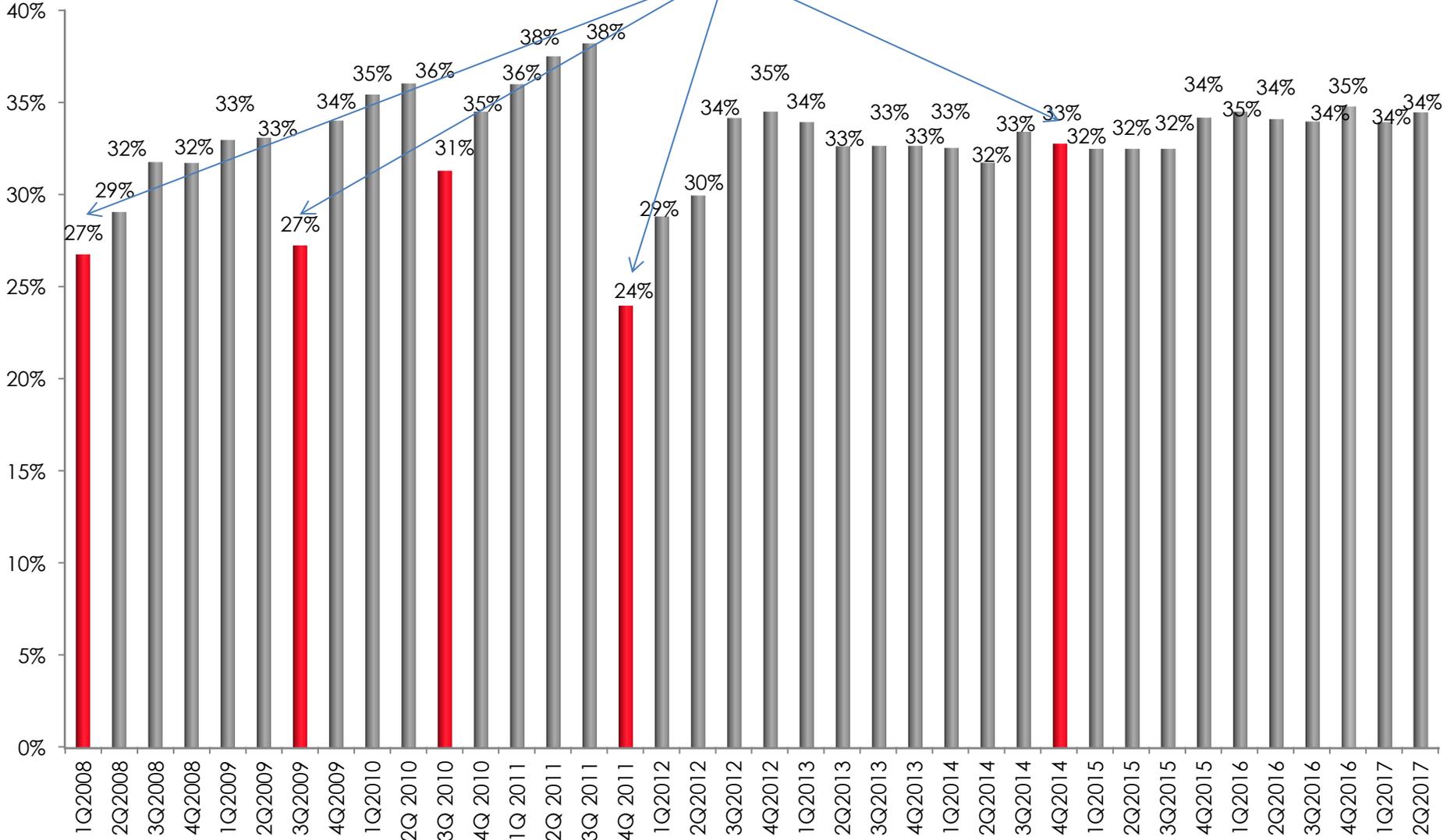
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Borrowings (RM'000)	230,456	308,932	416,609	311,338	548,920	528,004	683,769	731,814	780,665	776,368
Total Assets (RM'000)	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,141,493	2,244,274	2,252,616
Gearing	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	34.17%	34.78%	34.37%
Effective Profit Rate	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.28%	4.25%	4.16%
Percentage of short term borrowings- Maturity < 1 Year	100%	47%	48%	52%	62%	50%	61%	55%	58%	57%
Percentage of medium/ long term borrowings (maturity more than 1 years and less than 8 years)	-	53%	52%	48%	38%	50%	39%	45%	42%	43%
Percentage of floating rate borrowings	100%	47%	48%	52%	62%	40%	47%	50%	53%	53%
Percentage of fixed rate borrowings	-	53%	52%	48%	38%	60%	53%	50%	47%	47%
Total unencumbered assets	13	12	11	12	6	5	5	10	15	13
Percentage of unencumbered assets/total assets	44%	52%	42%	44%	19%	16%	21%	26%	30%	24%
Financing cost cover	5.5	4.8	4.1	3.8	4.6	4.5	4.5	4.1	3.8	3.9
Unutilised financing facilities (RM'000)	88,597	33,791	31,468	189,062	40,715	116,000	192,700	171,000	117,000	326,000

Statement of Financial Position

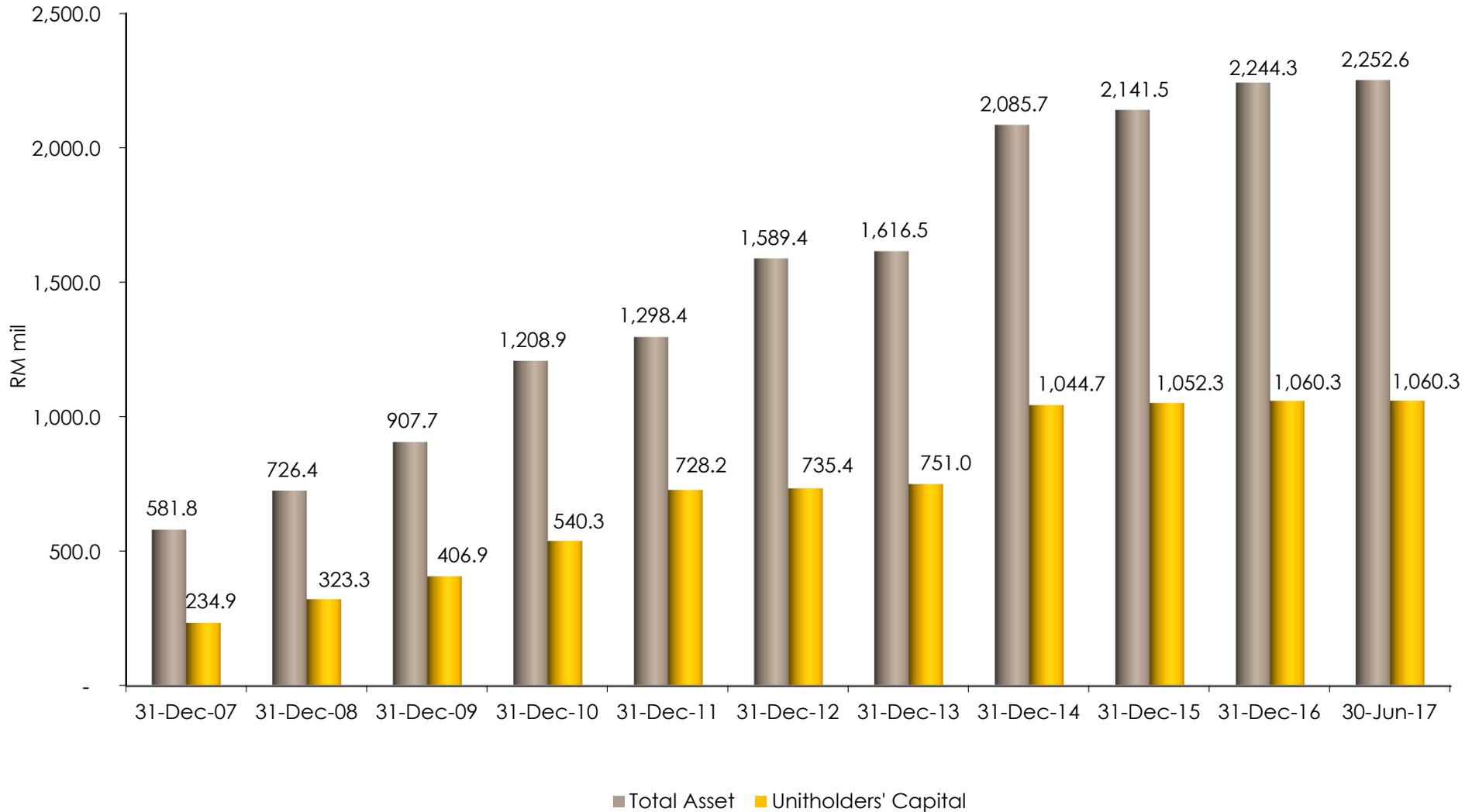
Gearing Levels



Placements Undertaken

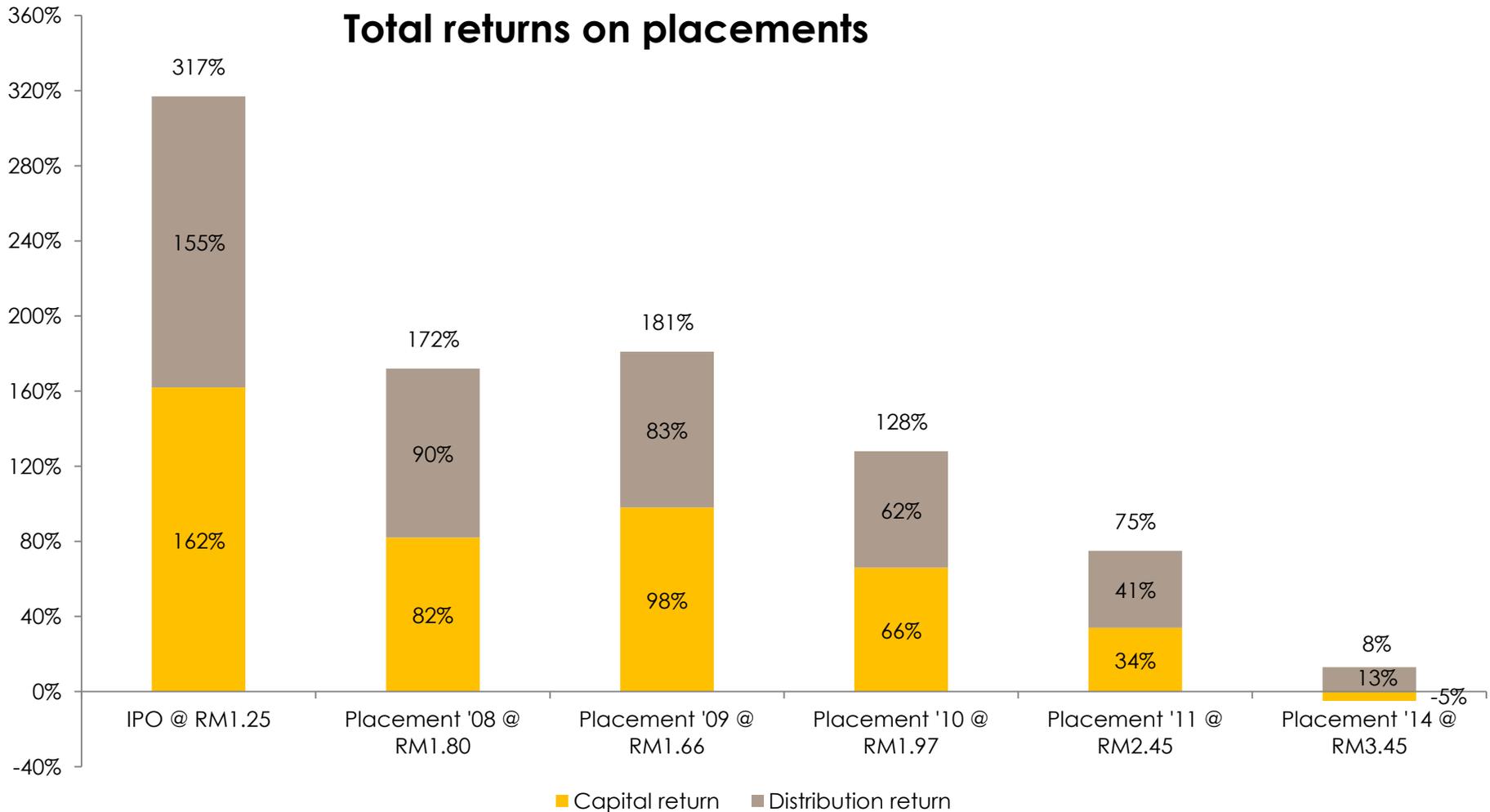


Unitholders' Capital – Note 4



... resulting in good total returns to unitholders.

Total returns on placements



Statement of Financial Position – Note 5

Non-distributable Reserve



Non-distributable reserve mainly comprises the favorable gain in fair value of approximately **RM301** million to date.

Property	Gain/(loss) RM'000
Crystal Plaza	44,754
Menara Axis	37,617
Wisma Kemajuan	26,710
Bukit Raja Distribution Centre	26,073
Axis Vista	22,140
Axis Business Park	20,232
Tesco Bukit Indah	19,076
Strateq Data Centre	14,271
Axis Business Campus	12,841
Axis Shah Alam DC 1	9,853
Infinite Centre	7,557
FCI Senai	7,307
Giant Hypermarket, Sungai Petani	7,027
Quattro West	5,925
The Annex	5,678
Fonterra HQ	5,572
Axis Steel Centre	3,888
Niro Warehouse	3,766
Axis Technology Centre	3,746
Emerson Industrial Facility Nilai	3,183

Property	Gain/(loss) RM'000
Seberang Prai Logistic Warehouse 3	3,183
Delfi Warehouse	2,997
Seberang Prai Logistic Warehouse 1	2,678
D8 Logistics Warehouse	2,252
BMW Centre PTP	2,217
Bayan Lepas Distribution Centre	1,417
Axis Shah Alam DC 2	819
Seberang Prai Logistic Warehouse 2	815
Axis Steel Centre@ SiLC	551
Scomi Facility @ Rawang	304
Beyonics – Block D	196
Beyonics – Block B	185
Beyonics – Block C	166
Beyonics – Block A	131
Wisma Academy Parcel	(369)
Axis MRO Hub	(375)
Axis PDI Centre	(1,687)
Axis Shah Alam DC 3	(1,936)



2Q2017 PROPERTY REPORT

As at 30 June 2017, the occupancy rate of Axis-REIT's portfolio of properties stands at 89% with a stable weighted average lease expiry period of 4.51 years (based on rental). As at year to date 30 June 2017, the Manager achieved positive rental reversion of 5.94% from tenancies renewal.

Close to 1,000,000 sq. ft. of space has been locked in through tenancy renewals as well as new tenancies. Of this, 453,793 sq. ft. was secured through the support of our existing tenants, giving a renewal rate of 35%.

To-date, the Manager has secured almost 500,000 sq. ft. of additional new tenancies. The Fund welcomed North Port (Malaysia) Berhad, Antah Insurance Brokers Sdn Bhd, First Track Ski Sdn Bhd, Modes Cube Sdn Bhd and a few others into the Axis-REIT community.

The office market is expected to remain challenging for the rest of 2017 with new supply continuing to outstrip demand coupled with impact from the soft global economic conditions. With the increasing demand from e-commerce players, the industrial market is expected to remain positive.

Vacancy in the portfolio currently stands at 810,028 sq. ft. The Manager is in advanced stage to conclude new tenants for some of these spaces. The Manager's focus in 2017 is to fill the voids and tenants retention. Our leasing team is committed and working hard to secure new tenants. By filling the current vacant spaces, we expect to add as much as 1.85 sen to the annual DPU.

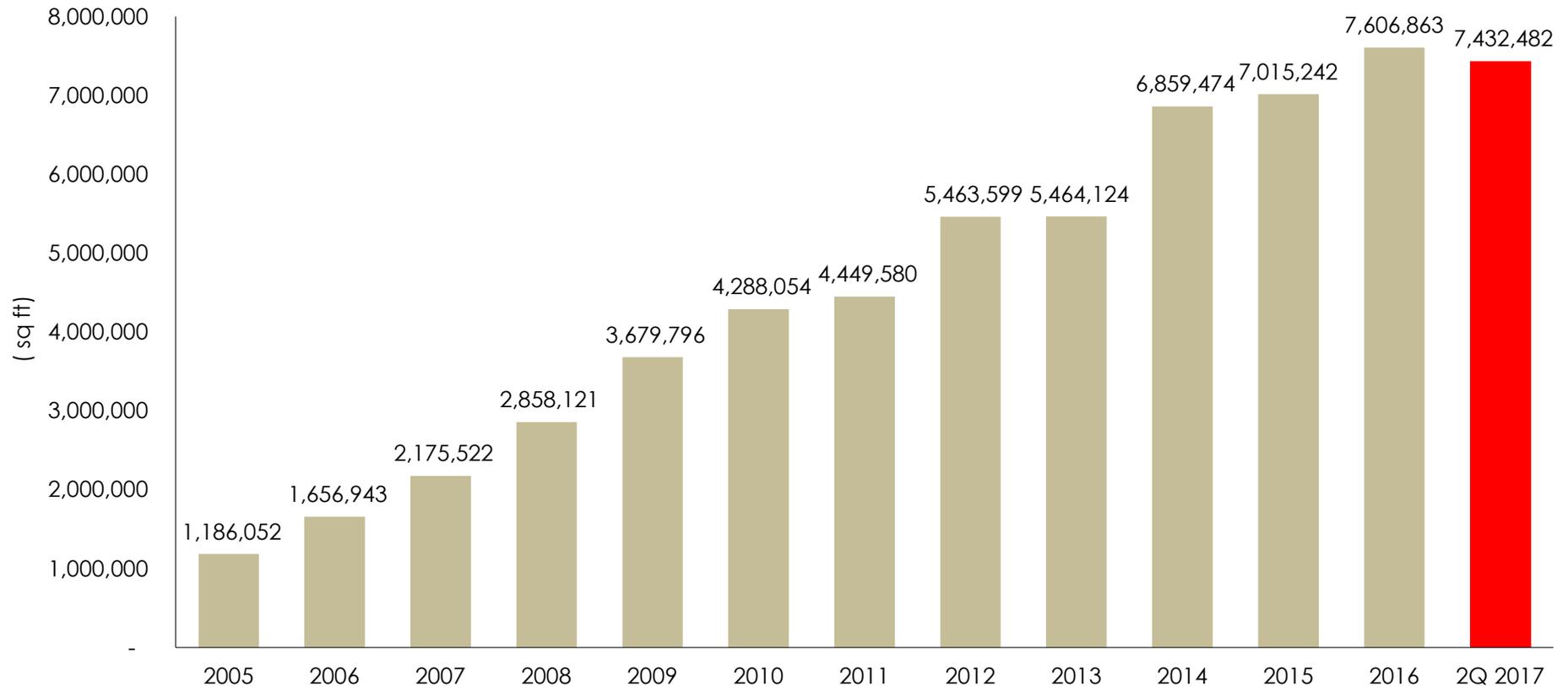
	2Q2017	1Q2017	Movement
No of properties	38	38	-
Weighted Average Lease Expiry (WALE) by NLA	4.41	4.36	↑
Weighted Average Lease Expiry (WALE) by Rental	4.51	4.46	↑
Occupancy	89.10%	91.86%	↓

The Fund has completed the Kerry Warehouse acquisition on 24 July 2017, taking the total number of properties up to 39.

Average Rental Rates:

Type of Properties	2Q2017	1Q2017	Movement
Office (RM/sq. ft.)	4.74	4.74	-
Office Industrial (RM/sq. ft.)	2.71	2.73	↓ 0.02
Manufacturing Facilities (RM/sq. ft.)	1.29	1.29	-
Warehouse Logistics (RM/sq. ft.)	1.57	1.55	↑ 0.02
Hypermarket (RM/sq. ft.)	2.36	2.36	-

Space Under Management (sq ft)



Note:

The reduction in space under management is due to the disposal of Axis Eureka and the development of Axis PDI Centre.

Portfolio Occupancy Rate



As at 30 June 2017, Axis-REIT has only 12 out of 38 properties that carry vacancy, while 1 is undergoing development.

25 properties enjoy 100% occupancy.

Occupancy

As at 30 June 2016 89.10 %

Vacancy

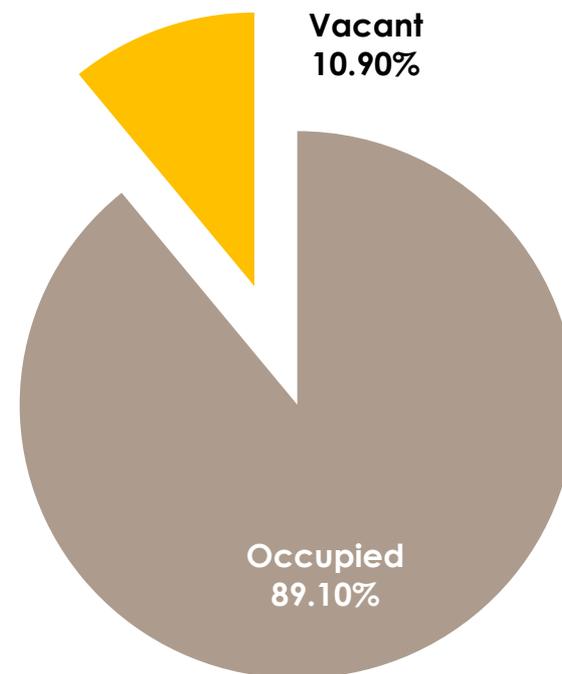
As at 30 June 2017 10.90 %
Space to be let out 810,028 sq. ft.

Occupancy

Multi-tenants properties 82.33%
Single tenant properties 93.43%

Unbilled space income **RM20.5 million per year**
Potential annual DPU upside 1.85 sen per unit/year

Occupancy Rate

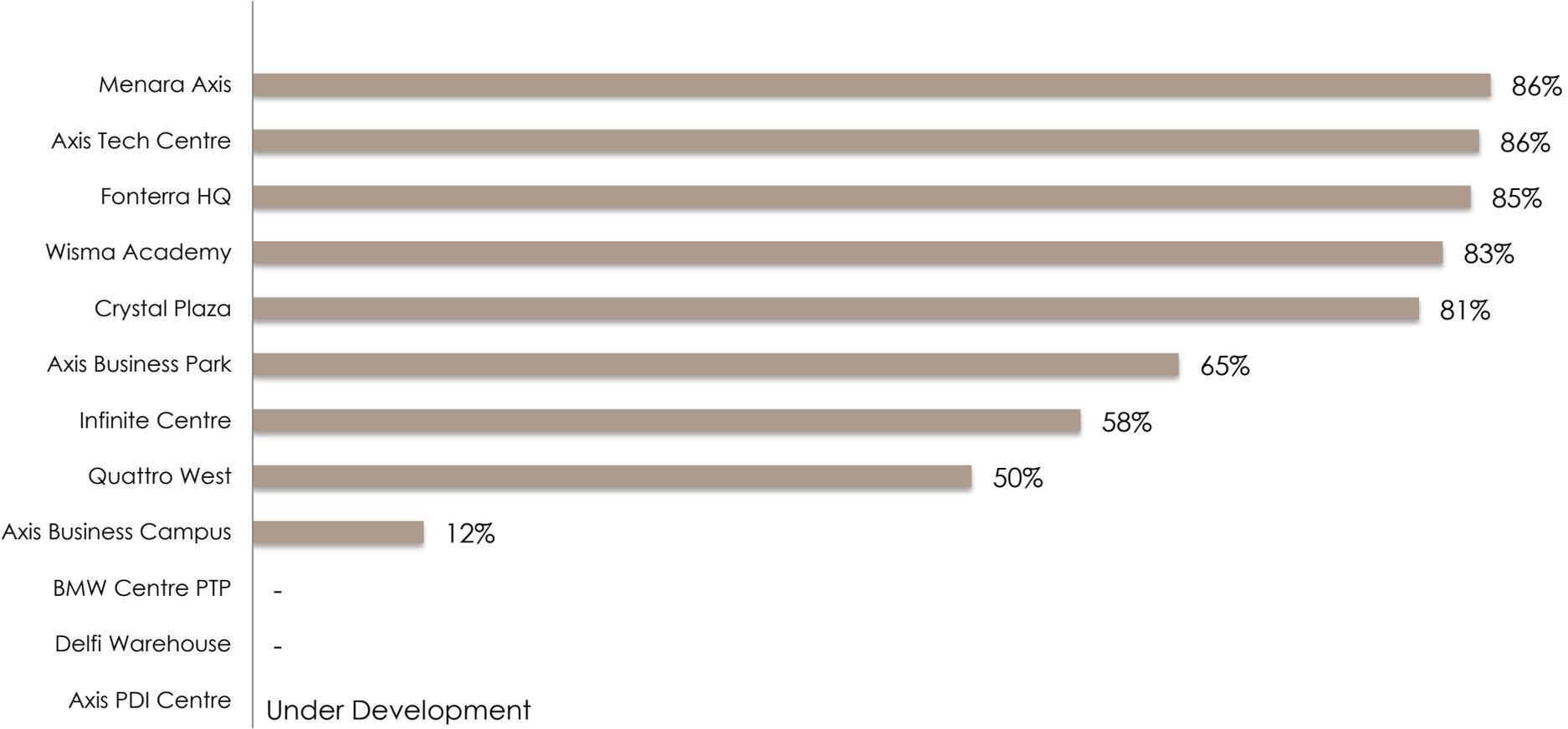


Occupancy Rates by Property as at 30 June 2017



1	Menara Axis	86%	20	Axis Steel Centre	100%
2	Crystal Plaza	81%	21	Bukit Raja Distribution Centre	100%
3	Quattro West	50%	22	Seberang Prai Logistic Warehouse 1	100%
4	Axis Business Park	65%	23	Seberang Prai Logistic Warehouse 2	100%
5	Infinite Centre	58%	24	D8 Logistics Warehouse	100%
6	Wisma Kemajuan	90%	25	FCI Senai	100%
7	Axis Business Campus	12%	26	Bayan Lepas Distribution Centre	100%
8	Strateq Data Centre	100%	27	Seberang Prai Logistic Warehouse 3	100%
9	Fonterra HQ	85%	28	Emerson Industrial Facility Nilai	100%
10	Axis Vista	100%	29	Axis Shah Alam DC 3	100%
11	Axis Technogy Centre	86%	30	Axis MRO Hub	100%
12	Wisma Academy Parcel	83%	31	Axis Steel Centre @ SiLC	100%
13	The Annex	100%	32	Axis Shah Alam DC 2	100%
14	Giant Hypermarket Sg. Petani	100%	33	Beyonics I-Park Campus Block A	100%
15	Tesco Bukit Indah	100%	34	Beyonics i-Park Campus Block B	100%
16	Axis Shah Alam DC 1	100%	35	Beyonics i-Park Campus Block C	100%
17	BMW Centre PTP	0%	36	Beyonics i-Park Campus Block D	100%
18	Niro Warehouse	100%	37	Scomi Facility @ Rawang	100%
19	Delfi Warehouse	0%	38	Axis PDI Centre	(Under development)

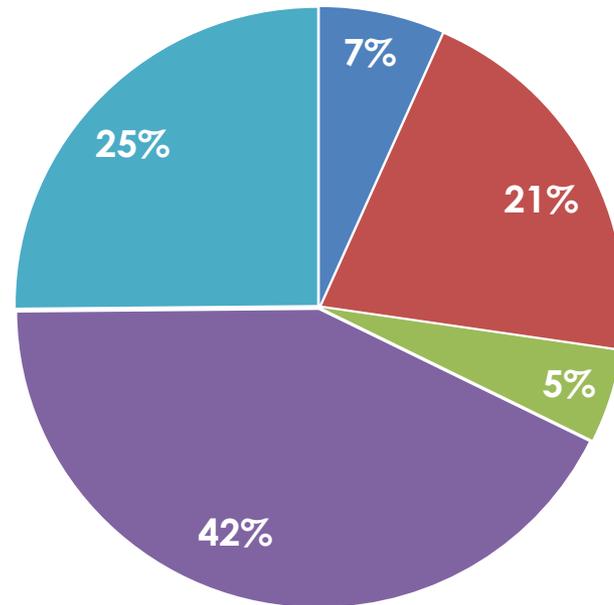
Properties With Vacancy



Note:

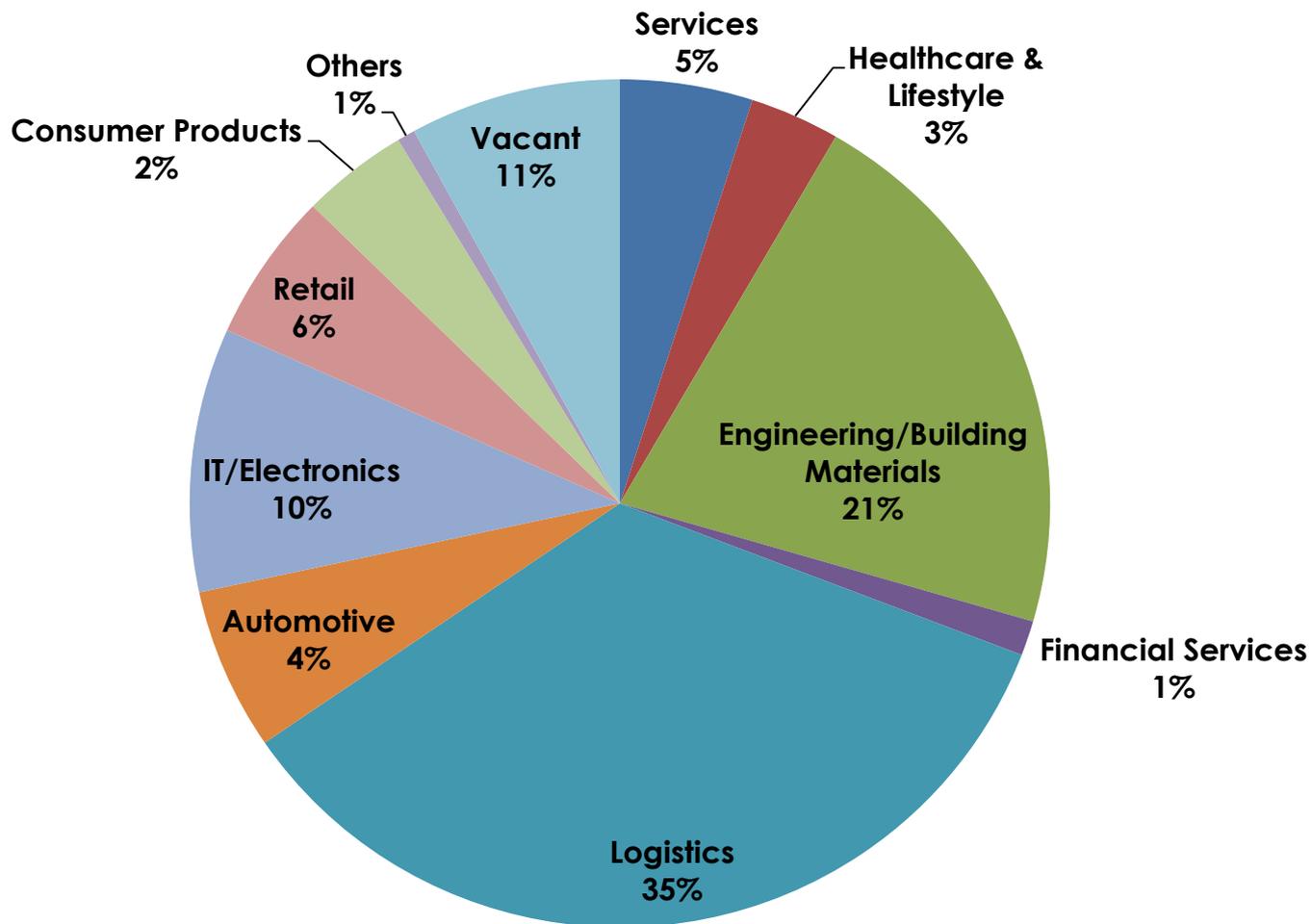
- *Fonterra HQ: Vacant space is built for future expansion*
- *Axis PDI Centre: 17.6 acres reserved for Phase 2 development is rented out as a vehicle storage yard*

Portfolio Diversification by Type and NLA

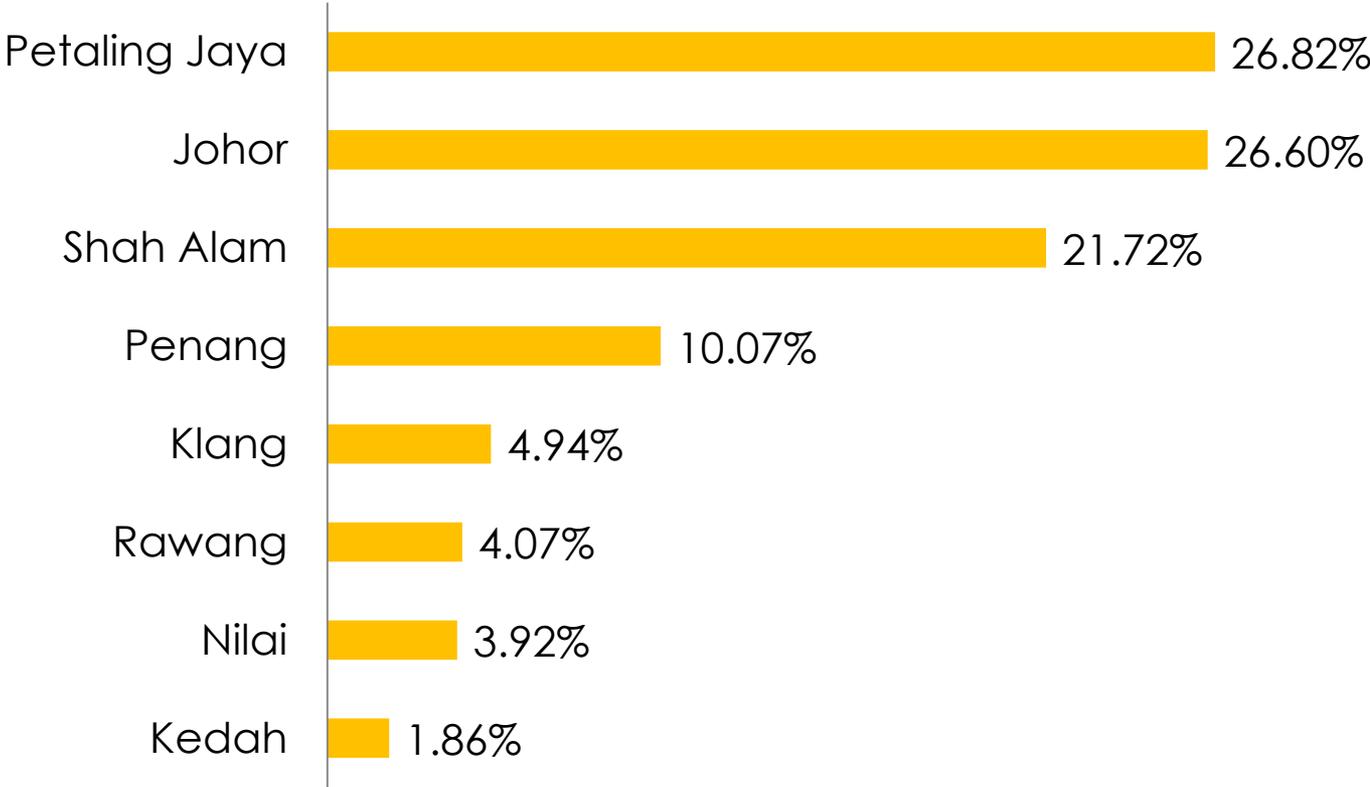


- Office
- Office/ Industrial
- Hypermarkets
- Warehouse Logistic
- Manufacturing Facilities - Light Industrial

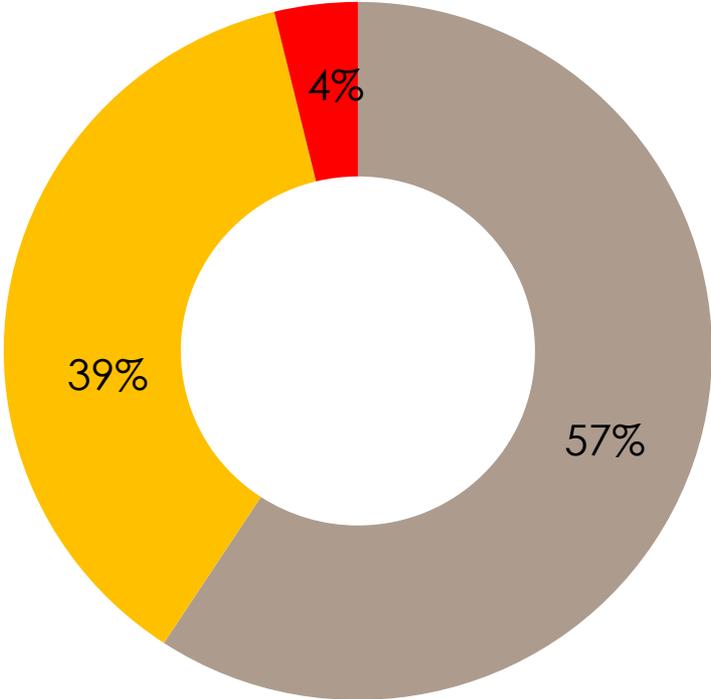
NLA by Industry Sector



Portfolio Diversification by Geographical Location



Single Tenant vs Multi-Tenants



■ Single Tenant ■ Multi Tenants ■ Vacant

Lease Expiry Profile



Year	Area Up for Renewal	% of Total NLA	% of Rental Income
2017	1,299,012 sq. ft.	17.48%	22.83%
2018	1,116,159 sq. ft.	15.02%	15.78%
2019	1,263,784 sq. ft.	17.00%	23.02%

Lease Expiry Profile



5.94% positive rental reversion year to date

By Location

Location	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2017	Total NLA	Income/ month	2018	Total NLA	Income/ month	2019	Total NLA	Income/ month
Petaling Jaya	565,548	7.61	13.24	281,973	3.79	5.66	576,917	7.76	16.74
Klang	366,839	4.94	3.82	-	-	-	-	-	-
Shah Alam	-	-	-	526,567	7.08	6.46	-	-	-
Johor	161,474	2.17	2.54	307,619	4.15	3.66	-	-	-
Nilai	-	-	-	-	-	-	291,642	3.92	1.91
Penang	205,151	2.76	3.23	-	-	-	395,225	5.32	4.37
TOTAL	1,299,012	17.48	22.83	1,116,159	15.02	15.78	1,263,784	17.00	23.02

By Type

Property Type	Year	% of	% of Rental	Year	% of	% of Rental	Year	% of	% of Rental
	2017	Total NLA	Income/ month	2018	Total NLA	Income/ month	2019	Total NLA	Income/ month
Office	98,313	1.32	3.74	18,587	0.25	0.64	258,091	3.47	10.33
Office Industrial	467,235	6.29	9.50	263,386	3.54	5.02	318,826	4.29	6.41
Warehouse Logistics	733,464	9.87	9.59	697,567	9.39	8.89	395,225	5.32	4.37
Manufacturing Facilities	-	-	-	136,619	1.84	1.23	291,642	3.92	1.91
TOTAL	1,299,012	17.48	22.83	1,116,159	15.02	15.78	1,263,784	17.00	23.02

The Portfolio Efficiency Ratio =

Operating Cost for the Portfolio / Gross Property Income

2Q2017	1Q2017
15.20%	15.39%

1. LF Logistics Services (M) Sdn Bhd
2. POS Logistics Berhad (formerly known as Konsortium Logistik Berhad)
3. Yongnam Engineering Sdn Bhd
4. Tenaga Nasional Berhad
5. Tesco Stores (M) Sdn Bhd
6. Schenker Logistics (M) Sdn Bhd
7. DHL Properties (M) Sdn Bhd
8. Strateq Data Center Sdn Bhd
9. SR Technics Malaysia Sdn Bhd
10. BMW Asia Technology Centre Sdn Bhd

YTD top ten tenants account for 53% of the total revenue of the Trust.



**2Q2017
ASSET**

ENHANCEMENTS

Completed Enhancement Works



Bayan Lepas Distribution Centre

Improvement to loading area and driveways



Delfi Warehouse

New metal deck roofing

Completed Enhancement Works



Axis Shah Alam DC 1

New metal deck roofing and repainting



Axis Shah Alam DC 3

New metal deck roofing and stainless steel gutter

Enhancement Works In Progress



Crystal Plaza

New metal deck roofing, waterproofing and new water tank for cooling towers



Wisma Academy

Building painting and waterproofing



2017 PROPERTY DEVELOPMENT

The Manager is pleased to announce that on 19 August 2016, RHB Trustees Berhad signed an Agreement to Build and Lease with Nestle Products Sdn Bhd to develop a 515,000 sq. ft. distribution warehouse facility for Nestle as their national distribution centre ("Nestle DC"). The agreement is for an initial lease term of 10 years plus an option to renew for further two terms of three years each.

Axis-REIT expects to derive annual rental income of about RM19.22 million with a step-up every three years.

This development was granted a special waiver by the Securities Commission Malaysia to allow Axis-REIT to develop and lease the distribution centre. This project would increase the fund's gross revenue, net property income and income distribution to its unitholders, whilst enlarging the size of its assets under management.

Nestle DC is the first phase of the development of Axis PDI Centre, which will take up 24.78 acres of the 50 acres property. The development commenced in December 2016 and is on schedule to be completed by end 2017.

Nestle DC at Axis PDI Centre (Before)



50 acre site

Nestle DC at Axis PDI Centre (After)



Artists' Impression

Nestle DC at Axis PDI Centre



Artists' Impression

Nestle DC at Axis PDI Centre (Current)



Phase 2 land – Rented as vehicle storage yard





2017 CSR INITIATIVES

Donation to Malaysian Association of the Blind (MAB)



- ✓ Axis-REIT donated a 14-seater Jinbei van to the Malaysian Association of the Blind (MAB).



The Edge Kuala Lumpur Rat Race 2017



- ✓ Axis-REIT will be sending a team of 5 runners for the annual Rat Race which is scheduled for this afternoon!



Axis REIT

This year's Rat Race will see Axis Real Estate Investment Trust take part in the main category again. The company first participated in the event in 2011.

Axis REIT manager for investments and investor relations Chan Tze Wee says the 2016 race was her first. She believes that the charity run will help her and her teammates build a closer rapport and a strong sense of camaraderie.

"I enjoy team sports and representing the company allows me to build camaraderie with my colleagues and participants from other companies," she says.

Axis REIT believes that the run gives it an opportunity to carry out its corporate social responsibility.

Chan says the unique thing about the race is that the participants are in office attire.

"Running in office clothes in the heat is really unbearable," she says, adding that her team has started training the same way it did previously. This year, the venue has been changed, but it won't affect our preparation."

The race, which will be flagged off at Padang Merbok on July 28, will take the runners through lush greenery and past landmarks such as Parliament House, the National Monument and Bank Negara Malaysia.

Chan says when it comes to charity work, more Malaysians should be involved. "The organisers should also make an effort to look out for people who are in desperate need of help but do not know whom to approach."



2Q2017 INVESTMENTS REPORT



Kerry Warehouse – Pasir Gudang, Johor

Completion Date	:	24 July 2017
Land Area	:	Approx. 6 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM33 million
Projected Net Property Yield	:	7.5%
WALE	:	3.5 years



Wasco Facility – Gebeng, Pahang

Target Completion Date	:	2H2017 (SPA signed on 24 July 2017)
Land Area	:	Approx. 120 acres
Land Tenure	:	Leasehold
Occupancy	:	100%
Purchase Price	:	RM155 million
WALE	:	15 years

Wasco Facility

East Coast Rail Line (ECRL)

- A 600 km rail line
- Project start in 2017
- Construction of the five-year ECRL

The 3 Phases

1st Phase :Klang Valley to Kuantan

2nd Phase : Kuantan to Kuala Terengganu

3rd Phase : Kuala Terengganu to Kota Bharu and
Tumpat



Wasco Facility

- The East Coast Rail Line project (ECRL) will connect ports on the east and west coasts of Peninsular Malaysia and could alter regional trade routes which currently ply between the busy Strait of Malacca and the South China Sea via Singapore.
- The upgrading of Kuantan Port, which will be completed by mid-2018, is only one part of what is shaping up to be Malaysia's most expensive infrastructure undertaking.
- The construction of new roads and flyovers from the port complex to a nearby industrial park is almost complete, and government officials say the eastern economic region has already attracted more than RM8.9bil in investment, mainly from manufacturing concerns from China.





Manufacturing Facility – Iskandar Puteri, Johor

Target Completion Date	:	3Q2017
Land Area	:	Approx. 9.0 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM50 million
WALE	:	21 years

The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- Well-located retail warehousing in locations ideal for last-mile distribution; and
- Office, business parks and industrial properties with potential for future enhancement.

**Total Estimated Value of Acquisition Targets
RM239 million**

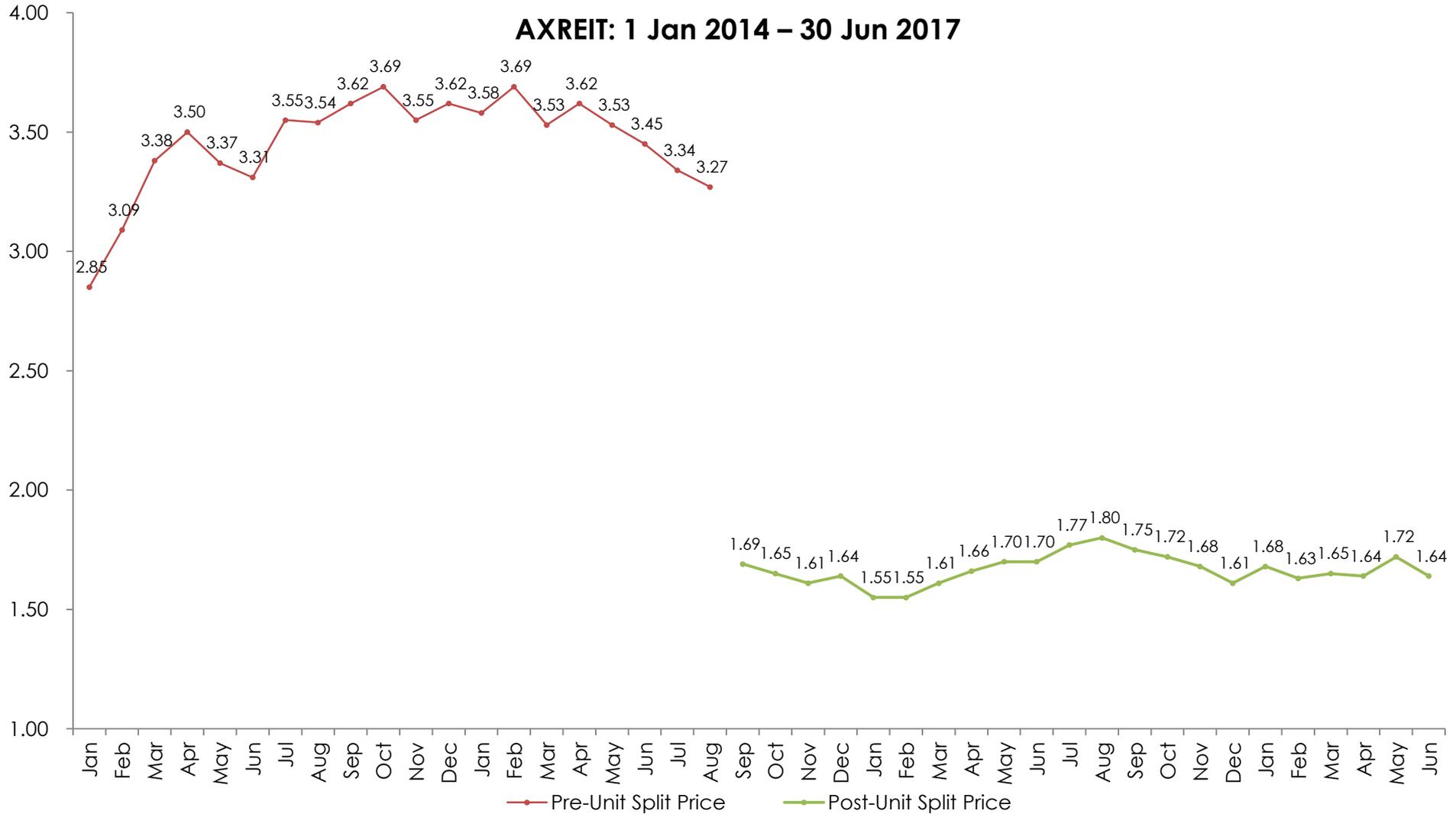


2Q2017 INVESTOR RELATIONS REPORT

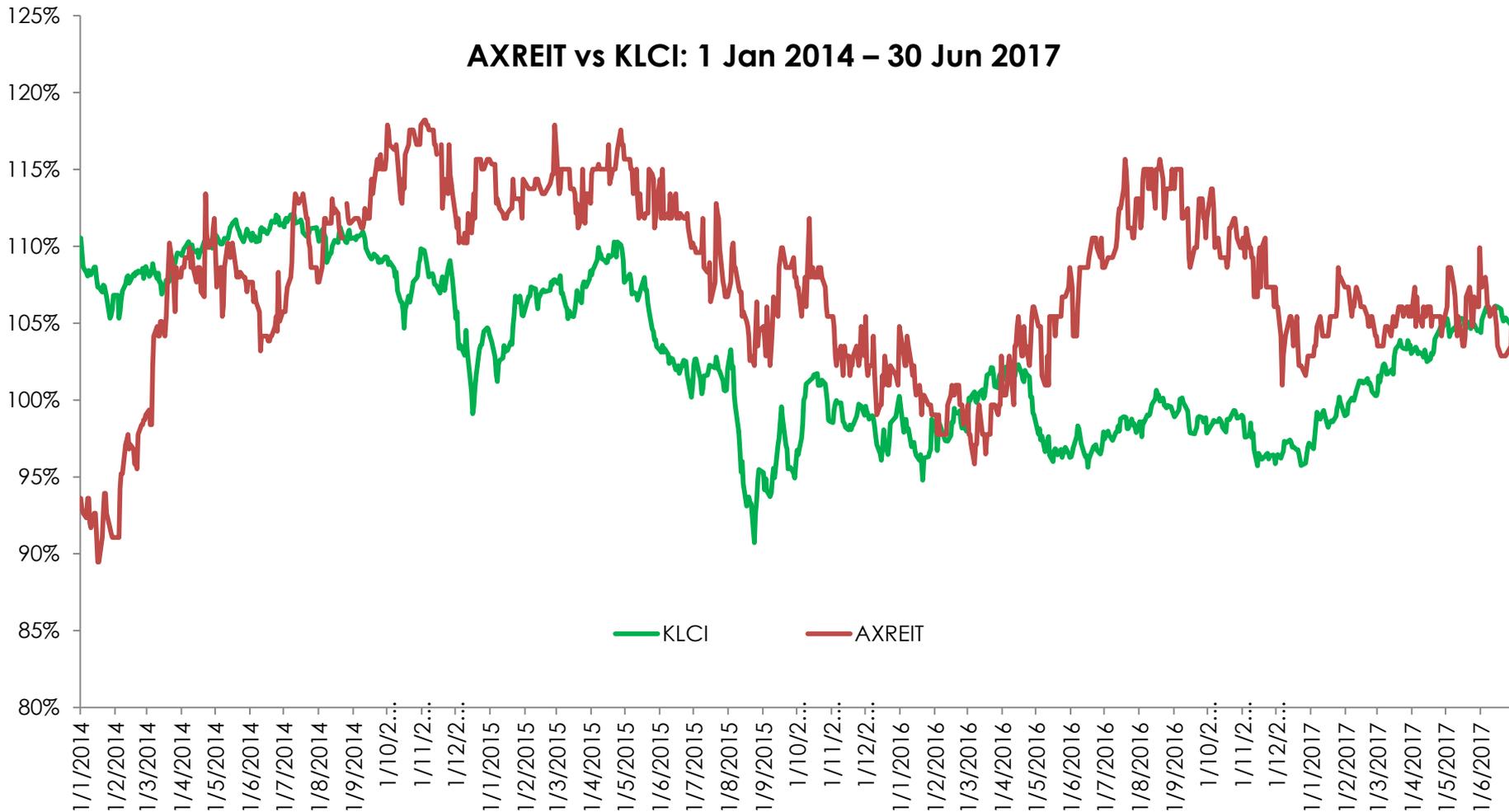
Unit Price Performance 2Q2017



AXREIT: 1 Jan 2014 – 30 Jun 2017



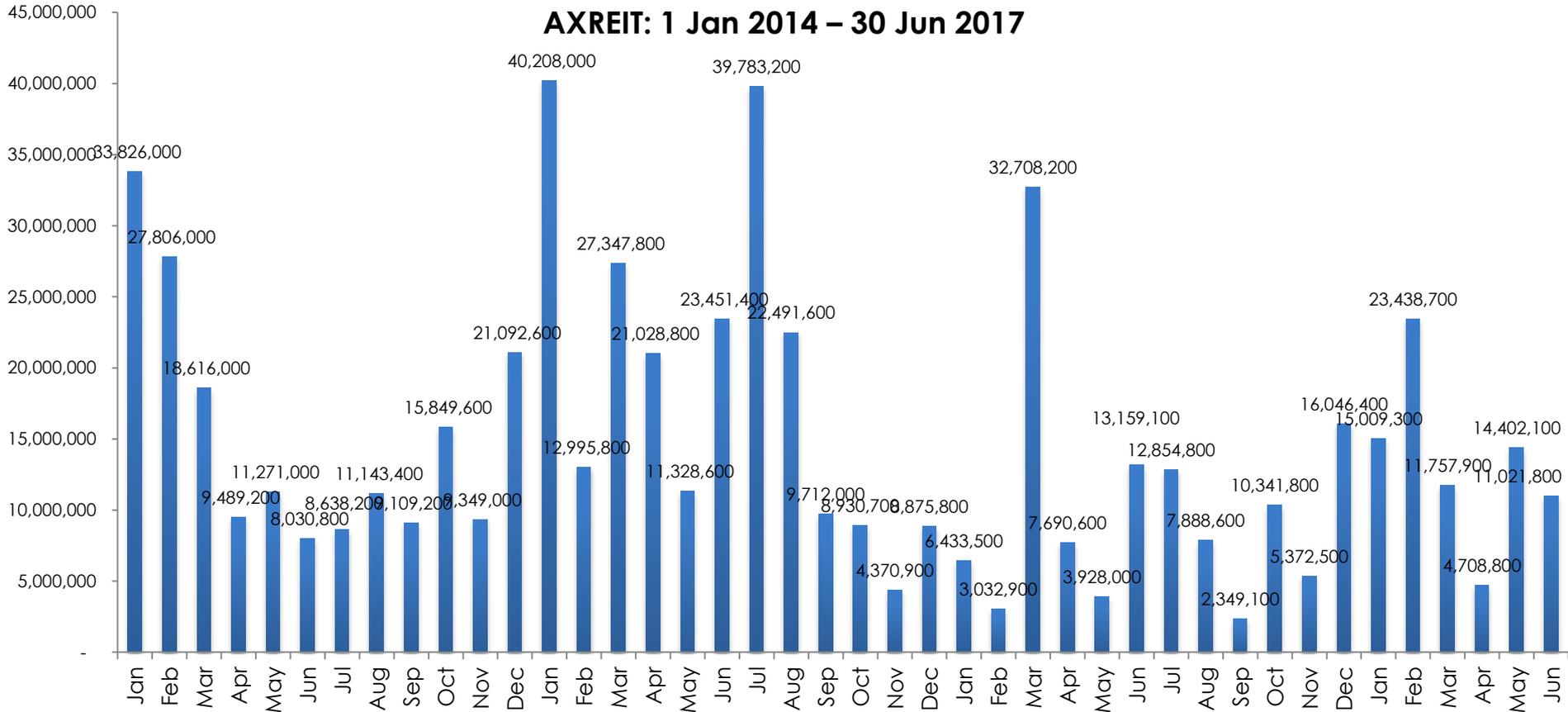
Unit Price Movement 2Q2017



Price Statistics

2Q2017: Unit Price @ 30 Jun 2017	RM1.64	Highest Price YTD: May 2017	RM1.72
1Q2017: Unit Price @ 31 Mar 2017	RM1.65	64	Lowest Price YTD: Mar 2017
			RM1.61

AXREIT: 1 Jan 2014 – 30 Jun 2017



Volume Statistics

Average Monthly Volume 2017	13,389,767
Highest Monthly Volume: Feb 2017	23,438,700
Lowest Monthly Volume: Apr 2017	4,708,800

Top 10 Unitholders 2Q2017



1	EMPLOYEES PROVIDENT FUND	9.39%
2	AMANAH SAHAM BUMIPUTERA	9.00%
3	LEMBAGA TABUNG HAJI	5.43%
4	TEW PENG HWEE @ TEOH PENG HWEE	5.04%
5	ALEX LEE LAO	4.53%
6	PERMODALAN NASIONAL BERHAD	3.95%
7	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	3.79%
8	AMANAH SAHAM BUMIPUTERA 2	2.26%
9	AMANAH SAHAM MALAYSIA	2.19%
10	PUBLIC SMALLCAP FUND	2.04%

Holdings Breakdown	Units Held 2Q2017	Units Held 1Q2017	Q-on-Q Change
Top 5 Unitholders	33.44%	33.72%	-0.28%
Top 10 Unitholders	47.81%	48.11%	-0.30%
Unitholders with > 2 million unitholdings	88.07%	88.18%	-0.11%

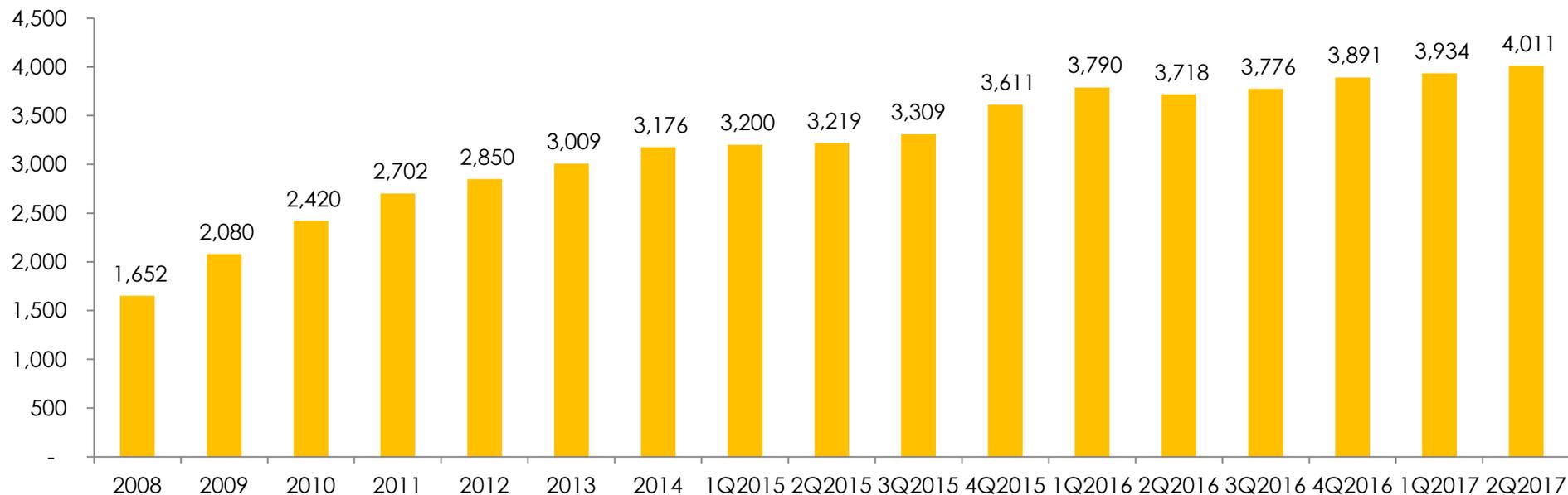
Top 5 increases in unitholdings:

	Last Quarter Increase
BNP PARIBAS SECS SVS PARIS FOR REIT ASIEN 1	0.4%
AMANAH SAHAM MALAYSIA	0.3%
FOR BANK KERJASAMA RAKYAT MALAYSIA BERHAD	0.2%
EMPLOYEES PROVIDENT FUND	0.1%
EXEMPT AN FOR BNP PARIBAS SECURITIES SERVICES (DUB-CLTS UCITS)	0.0%

Top 5 decreases in unitholdings:

	Last Quarter Decrease
PAMB FOR PRULINK EQUITY FUND	-0.5%
AMANAH SAHAM DIDIK	-0.5%
STANDARD CHARTERED BANK SINGAPORE FOR ARQAAM CAPITAL LIMITED	-0.1%
SIX SIS FOR B&I PAN-ASIAN TOTAL RETURN REAL ESTATE SECURITIES FUND	-0.1%
PBTB FOR TAKAFULINK DANA EKUITI	-0.0%

No. of CDS Accounts



✓ Quarter-on-quarter, total number of CDS accounts increased by 77 to 4,011

	Units Held 2Q2017	Units Held 1Q2017	Q-on-Q Change
Total foreign holdings	11.87%	11.64%	0.23%
Foreign holdings – related-party	7.76%	7.67%	0.09%
Foreign holdings – non-related-party	4.11%	3.97%	0.14%
Promoters	14.01%	14.00%	0.01%

Analyst Coverage 2Q2017



Coverage	Rating	Target Price (RM)	Published Date
Alliance DBS	Hold	1.73	26-Apr-17
Hong Leong IB	Hold	1.71	26-Apr-17
CIMB	Hold	1.72	26-Apr-17
Kenanga	Hold	1.66	26-Apr-17
Maybank	Hold	1.70	26-Apr-17
MIDF	Hold	1.68	26-Apr-17
UOBKayHian	Hold	1.65	26-Apr-17
RHB	Hold	1.64	26-Apr-17
Nomura	Hold	1.69	26-Apr-17
AffinHwang	Hold	1.65	25-Apr-17

Recommendation	Movement		2Q2017	1Q2017
Buy	↔		0	0
Hold	↔		10	10
Sell	↔	69	0	0

THANK YOU

