

## **AXIS REAL ESTATE INVESTMENT TRUST ("AXIS-REIT" OR "THE FUND")**

- **PROPOSED ACQUISITION BY OSK TRUSTEES BERHAD ("TRUSTEE"), ON BEHALF OF AXIS-REIT OF A PARCEL OF LAND HELD UNDER H.S. (D) 77831, PLOT 19, TOWN OF SULTAN SULAIMAN, DISTRICT OF KLANG, STATE OF SELANGOR TOGETHER WITH ALL THE BUILDINGS ERECTED THEREON FOR A TOTAL CASH CONSIDERATION OF RM65.0 MILLION ("PROPOSED ACQUISITION");**
- **PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE UNITS OF UP TO 51,180,200 NEW UNITS ("SUBJECT UNITS"), REPRESENTING UP TO 20% OF THE EXISTING APPROVED FUND SIZE OF AXIS-REIT OF 255,901,000 UNITS PURSUANT TO SECTION 14.03 OF THE SECURITIES COMMISSION'S GUIDELINES ON REAL ESTATE INVESTMENT TRUSTS ("PROPOSED AUTHORITY"); AND**
- **PROPOSED INCREASE IN THE EXISTING APPROVED FUND SIZE OF AXIS-REIT OF 255,901,000 UNITS UP TO A MAXIMUM OF 307,081,200 UNITS PURSUANT TO THE PROPOSED AUTHORITY ("PROPOSED INCREASE IN FUND SIZE")**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

### **1. INTRODUCTION**

On behalf of the Board of Directors of Axis REIT Managers Berhad ("Axis REIT Managers" or the "Manager") ("Board"), the management company of Axis-REIT, Maybank Investment Bank Berhad ("Maybank IB") (*formerly known as Aseambankers Malaysia Berhad*), is pleased to announce that on 20 July 2009, the Trustee, on behalf of Axis-REIT has entered into a conditional sale and purchase agreement ("SPA") with Maximum Icon Sdn Bhd ("MISB" or "the Vendor") to acquire a parcel of land held under H.S.(D) 77831, Plot 19, Town of Sultan Sulaiman, District of Klang, State of Selangor measuring approximately 66,450 square metres together with all the buildings erected thereon (collectively "Axis Steel Centre") for a total lump sum cash consideration of RM65.0 million.

Apart from the above, Maybank IB on behalf of the Board, is also pleased to announce that the Manager proposes to undertake the Proposed Authority and Proposed Increase in Fund Size.

### **2. DETAILS OF THE PROPOSALS**

#### **2.1 PROPOSED ACQUISITION**

The Trustee on behalf of the Fund will acquire the Axis Steel Centre from MISB, a company which is related to certain Directors of the Manager and Baiduri Kemas Sdn Bhd ("Baiduri Kemas"), a major unitholder of Axis-REIT, for a total lump sum cash consideration of RM65.0 million.

In relation thereto, the terms of the Proposed Acquisition have been reviewed by the audit committee of Axis REIT Managers ("Audit Committee") and the Audit Committee is satisfied that the Proposed Acquisition is at arm's length and is based on normal commercial terms and will not be detrimental to the interest of the unitholders of Axis-REIT.

The Axis Steel Centre has been valued by Messrs. PA International Property Consultants (KL) Sdn Bhd, an independent professional firm of registered valuers (“Valuer”), appointed by the Manager on behalf of the Fund, to undertake the valuation.

The Axis Steel Centre is to be acquired free from encumbrances but subject to the fulfilment of the terms and conditions as stipulated in the conditional SPA.

### **2.1.1 CONDITIONS PRECEDENT OF THE SPA**

The Proposed Acquisition is subject to the following conditions, inter-alia:

- (a) the approval of MISB’s shareholders (if required) or MISB’s company secretary’s confirmation that MISB’s shareholders’ approval is not required for the Proposed Acquisition, and MISB’s board of directors’ resolution, approving:
  - (i) the sale of the Axis Steel Centre upon the terms and conditions of the SPA; and
  - (ii) the execution of all relevant documents under seal in accordance with its Memorandum and Articles of Association and by such persons authorised by MISB;
- (b) the state authority’s unconditional approval for the transfer of the Axis Steel Centre to the Trustee;
- (c) the approval of the unitholders of Axis-REIT by way of an ordinary resolution for the acquisition of the Axis Steel Centre;
- (d) the consent of the existing chargee for the sale of the Axis Steel Centre by MISB;
- (e) stamped copies of the existing lease agreements with the novation agreements duly executed by the existing lessees and MISB being deposited with the Trustee’s solicitors as stakeholders; and
- (f) the approval or consent of any relevant public authority, if required.

### **2.1.2 INFORMATION ON THE AXIS STEEL CENTRE**

The Axis Steel Centre is an industrial complex comprising a single-storey warehouse with a double-storey integral office, a single-storey warehouse with a double-storey annexe office, a double-storey office building with a single-storey annexe amenities block and other ancillary buildings with total built-up area of approximately 366,839 square feet.

The Axis Steel Centre is divided into two (2) sections as follows:

- (i) Section A : (a) A single-storey warehouse with a double-storey integral office;
  - (b) A canteen;
  - (c) A pump house; and
  - (d) A guard house
  
- (ii) Section B : (a) A single-storey warehouse with a double-storey office annexe;
  - (b) A double-storey office building with a single-storey amenities block annexe;
  - (c) TNB sub-station;
  - (d) A refuse chamber; and
  - (e) Two (2) guard houses

Section A of the Axis Steel Centre is currently being occupied by Konsortium Logistik Berhad (“KLB”) vide a lease agreement dated 25 September 2006 and a supplemental agreement dated 1 July 2009 entered into between MISB as the lessor, and KLB as the lessee, for a lease period of seven (7) years and nine (9) months effective from 1 October 2006. The rental is RM333,200 per month for the period commencing from 1 October 2006 till 30 September 2009 and RM373,184 per month for the remaining lease period until 30 June 2014. The aforesaid lease agreement will be novated to Axis-REIT upon completion of the Proposed Acquisition.

Section B of the Axis Steel Centre is currently being occupied by KLB vide a lease agreement dated 1 July 2009 entered into between MISB, as the lessor, and KLB as the lessee, and exchange of letter dated 1 July 2009 for a lease period of five (5) years effective from 1 July 2009. The rental for the lease period is RM214,791 per month. The aforesaid lease agreement will be novated to Axis-REIT upon completion of the Proposed Acquisition.

Brief descriptions of the Axis Steel Centre are as follows:

Property’s portal address^	:	No. 19, Lebuah Sultan Hishamuddin 1 Kawasan Perusahaan Selat Klang Utara 42000 Pelabuhan Klang Selangor Darul Ehsan
Lease period^	:	99 years expiring on 29 January 2102
Category of land^	:	Industrial
Existing and proposed use^	:	Warehouse

Total land area <sup>^</sup>	:	Approximately 16.42 acres
Approximate age of building <sup>^</sup>	:	Section A - approximately eighteen (18) years Section B - approximately one (1) year
Gross built-up area <sup>^</sup>	:	366,839 square feet
Net lettable area <sup>*</sup>	:	366,839 square feet
Occupancy as at 16 July 2009	:	100%
Market value <sup>^</sup>	:	RM75 million
Purchase consideration	:	RM65 million
Net book value based on latest audited financial statements of MISB	:	RM40.1 million @ 31 December 2008
Encumbrances <sup>^</sup>	:	Charged to RHB Islamic Bank Berhad since 10 May 2007

*Notes:*

<sup>^</sup> *Extracted from the valuation report dated 22 May 2009 prepared by the Valuer ("Valuation Report")*

<sup>\*</sup> *All areas are for lessee's exclusive use. Therefore net lettable area equals to the built-up area.*

The certificate of fitness for occupation and the certificate of completion and compliance of the buildings erected on the Axis Steel Centre, save and except for the guard house in Section A, were issued by the relevant authorities on 5 March 1991 and 18 August 2008 respectively. Pursuant to the SPA, the Vendor will procure the as-built building plans in respect of all buildings erected on the Axis Steel Centre to be submitted to the relevant public authority for approval and to obtain the relevant public authority's approval for such as-built building plans within one (1) year from the completion date of the SPA.

### **2.1.3 BASIS OF ARRIVING AT THE PURCHASE CONSIDERATION**

The purchase consideration for the Axis Steel Centre of RM65.0 million was arrived at on a willing-buyer willing-seller basis at a discount of 13.33% from the market value of the Axis Steel Centre of RM75 million as valued by the Valuer on 30 March 2009 in its valuation report dated 22 May 2009.

The valuation of the Axis Steel Centre was arrived at using a combination of the investment and cost method of valuation.

#### 2.1.4 LIABILITIES TO BE ASSUMED

There are no liabilities to be assumed by Axis-REIT arising from the Proposed Acquisition.

#### 2.1.5 SOURCE OF FUNDING

The Proposed Acquisition will be funded by bank borrowings from Axis-REIT's existing borrowing facilities.

#### 2.1.6 THE COST OF INVESTMENT

The cost of investment of Axis Steel Centre (included enhancement and expansion) is RM40.1 million based on the audited financial statements of MISB for the financial year ended 31 December 2008.

#### 2.1.7 INFORMATION ON THE VENDOR

MISB was incorporated in Malaysia under the Companies Act, 1965 ("Act") on 14 March 2006 as a private limited company under its present name. The registered office of MISB is at Suite 11.1A, Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal activity of MISB is investment holding.

As at the date hereof, the authorised share capital of MISB is RM1,000,000.00 divided into 1,000,000 ordinary shares of RM1.00 each, of which 1,000,000 ordinary shares of RM1.00 each have been issued and fully paid-up.

MISB is a company in which the following Directors of Axis REIT Managers, who are also unitholders of Axis-REIT ("Interested Parties") have interest by virtue of their direct shareholdings and directorship in MISB:

Interested Parties	Nature of Interest
(i) Dato' Abas Carl Gunnar bin Abdullah <sup>(1)</sup>	Director and shareholder of MISB
(ii) Tew Peng Hwee@Teoh Peng Hwee <sup>(1)</sup>	Director and shareholder of MISB

Note:

1 Dato' Abas Carl Gunnar bin Abdullah and Tew Peng Hwee @ Teoh Peng Hwee are the ultimate shareholders of Baiduri Kemas, a major unitholder of Axis-REIT

## 2.2 PROPOSED AUTHORITY AND PROPOSED INCREASE IN FUND SIZE

The unitholders of Axis-REIT had, at the unitholders' meeting held on 24 September 2008, approved the following:

- (i) allotment and issuance units of up to 20% of the existing approved fund size of Axis-REIT of 255,901,000 units pursuant to Section 14.03 of the Guidelines on Real Estate Investment Trusts ("REIT Guidelines") of up to 20% of the approved fund size of Axis-REIT, and whereupon such authority granted to the Fund shall, subject to renewal, expire at the financial year end of the Fund; and
- (ii) to increase from 255,901,000 units up to a maximum of 307,081,200 units by the creation of new units of up to 51,180,200 units, being 20% of the approved fund size of Axis-REIT of 255,901,000 units.

(collectively referred to as the "Earlier Mandate")

As the Earlier Mandate has expired on 31 December 2008, the Manager is proposing to seek the renewal of the Proposed Authority and consequentially, the Proposed Increase in Fund Size at the forthcoming unitholders' meeting to be convened at a date to be determined later.

Section 14.03 of the REIT Guidelines, stipulates that:

"Where the unit holders of a fund have, via a resolution in a general meeting, given a general mandate to the management company to issue units, any issue of units under such general mandate must comply with the following requirements:

- (a) The number of units to be issued, when aggregated with the number of units issued during the preceding twelve (12) months, must not exceed 20% of the approved fund size;
- (b) Placement to one single placee for the number of units to be issued under subclause (a) must not exceed 10% of the approved fund size;
- (c) Units must not be placed at more than 10% discount to the weighted average market price of the units for the five (5) market days immediately prior to the price-fixing date;
- (d) The principal adviser must act as the placement agent for the placement of units; and
- (e) Units must not be placed to—
  - (i) interested persons of the management company, whether in their own names or through nominees;
  - (ii) persons connected to the interested persons mentioned in sub-clause (i) above; or
  - (iii) nominee companies, unless the names of the ultimate beneficiaries are disclosed."

The Proposed Authority will empower the Board with the flexibility to allot and issue units at any time and for such purposes as the Board may in their absolute discretion deem fit, provided that the aggregate number of units to be issued pursuant to the Proposed Authority does not exceed 20% of the approved fund size of Axis-REIT. Based on Axis-REIT's current approved fund size of 255,901,000 units, the Proposed Authority will enable the Manager to issue up to 51,180,200 units at its absolute discretion and such authority shall continue to be in force until 31 December 2009 being the coming financial year end of Axis-REIT. Thereafter, the general mandate to issue new units up to 20% of the approved fund size of Axis-REIT may be renewed yearly subject to the approval of the unitholders of Axis-REIT.

As mentioned in an announcement dated 4 August 2008 in relation to the proposed placement of up to 120.0 million new Axis-REIT units ("Proposed Placement"). The Proposed Placement may be implemented in multiple tranches whenever the Manager anticipates that the bank borrowings of the Fund will exceed 40% of the total assets of the Fund as a result of future acquisitions. However, given the global financial crisis and deteriorating global economic outlook has created uncertainty in the domestic capital market, the Board proposes to reduce the gearing ratio from 40% to 35% as a prudent measure. The Proposed Acquisition, which will be funded via bank borrowings and targeted to be completed by fourth quarter of 2009, will result in the gearing of the Fund rising to 38.17%. Hence, the Manager intends to issue the first tranche of the placement units by the fourth quarter of 2009 (via the Proposed Authority) and subsequently, to issue the remaining placement units.

#### **2.2.1 Status and Ranking of the Subject Units**

The Subject Units to be issued pursuant to the Proposed Authority shall, upon issue and allotment, rank *pari passu* with the existing units except that they will not be entitled to participate in the income distribution or any distributable income, rights, allotments and/or any other distributions that may be declared prior to the date of allotment of the Subject Units.

### **3. RATIONALE OF THE PROPOSALS**

#### **3.1 PROPOSED ACQUISITION**

The Proposed Acquisition is in line with the Manager's objectives, which are to provide the unitholders with stable income distribution and to achieve growth in the net asset value ("NAV") per unit of the Axis-REIT by acquiring high quality accretive properties with strong recurring rental income.

The Proposed Acquisition meets with the investment objectives and growth strategy of Axis-REIT and it will be accretive to Axis-REIT's distributable income. The Proposed Acquisition will at the same time diversify and enlarge Axis-REIT's portfolio of properties and is expected to benefit the Fund in the long term from economies of scale.

### **3.2 3.2 PROPOSED AUTHORITY**

The Proposed Authority will enable Axis-REIT to allot and issue new units of Axis-REIT to raise funds to pare down its bank borrowings in the event that the Manager anticipates that the bank borrowings of the Fund will exceed 35% of the total assets of Axis-REIT as a result of the Proposed Acquisition and future acquisitions. This will provide Axis-REIT with sufficient resources to make future cash acquisitions which are in line with its growth strategy.

In addition to the above, the Proposed Authority is also expected to improve the trading liquidity of the units of Axis-REIT.

### **3.3 PROPOSED INCREASE IN FUND SIZE**

The Proposed Increase in Fund Size is to accommodate the increase in the units of Axis-REIT pursuant to the Proposed Authority.

## **4. PROSPECTS AND RISK FACTORS**

### **4.1 PROSPECTS**

The Axis Steel Centre bears dual frontages onto Lebu Sultan Hishamuddin 1 and Solok Sultan Hishamuddin 16 within Kawasan Perusahaan Selat Klang Utara, Port Klang, Selangor Darul Ehsan. The latter is located approximately 12 kilometres and 50 kilometres by road to the west of Klang town and south-west of the Kuala Lumpur city centre respectively.

Access to Axis Steel Centre is easily available from Lebuhraya Persekutuan, either by way of Pintas Klang Utara Baru or Lebuhraya Selat Klang onto Jalan Rantau Panjang and over the flyover leading to Persiaran Sultan Hishamuddin, thence onto Lebu Sultan Hishamuddin 1, one of the metalled frontage road.

The Axis Steel Centre is also accessible from KESAS Highway via Lebuhraya Pulau Indah and exit at North Port interchange and heading towards Jalan Pelabuhan Utara, Persiaran Sultan Hishamuddin, and thereafter onto Lebu Sultan Hishamuddin 1, the metalled frontage road. Alternatively, it is also accessible from Klang Town via Persiaran Raja Muda Musa, Jalan Pelabuhan Utara, Persiaran Sultan Hishamuddin, and thence onto Lebu Sultan Hishamuddin 1.

The immediate locality is developed mainly with purpose built factories and warehouses. Prominent industrial concerns within the immediate neighbourhood include the premises of Glen Marine Group (Sea) Sdn. Bhd., Integrated Warehouse Sdn. Bhd., Jambatan Merak Forwarding Sdn. Bhd., Rantau Panjang Haulage Sdn. Bhd., Jasa Export Freight Forwarding Sdn. Bhd., Harrisons Trading (Peninsular) Sdn. Bhd., Perwakilan Cekap Sdn. Bhd., Central Forwarding Agency Sdn. Bhd., CCM Chemical Sdn. Bhd., Gransea (M) Sdn. Bhd., Jasa Export Transit Warehouse Sdn. Bhd., ACP-DMT Sdn. Bhd., Kontena Nasional Berhad and Edaran Bernas Nasional Sdn. Bhd. The nature of business of the above-mentioned companies are generally trading, logistics, freight forwarding, warehousing, cargo handling, export and import oriented services, shipping and other port related activities.



Prominent landmarks noted in the immediate south and opposite of the Axis Steel Centre is the Port Klang Golf Club, an 18 holes seaside golf course and to the north are the North Port and North Port Free Trade Zone, Pejabat Kastam Pelabuhan Utara is also sited a short distance to the north-east.

The residential area of Bandar Sultan Sulaiman, Pusat Perdagangan Bandar Sultan Sulaiman and Kawasan Perusahaan Bandar Sultan Sulaiman (*formerly known as the Taiwanese Industrial Park*) are sited to the north-east whilst to the south are the West Port and Pulau Indah Industrial Park. Further to the south east approximately 3 kilometres is the Port Klang Town.

Other residential areas nearby include Taman Kem, Taman IKS, Kampung Baru Pendamaran, Kampung Sri Cahaya and Taman Sungai Sireh.

*(Source: Valuation Report)*

The combination of high demand for industrial accommodation in this location together with the scarcity of available sites would suggest that land and property in this area should continue to attract demand.

## **4.2 RISKS**

The Axis Steel Centre may be subject to certain risks, which includes, but are not limited to the following:

- (i) Gross rental income and the value of Axis Steel Centre may be affected by a number of factors;
- (ii) They may be uninsured or under-insured losses;
- (iii) Compulsory acquisition by the Malaysian Government;
- (iv) Single customer tenanted property;
- (v) The sale price for the Axis Steel Centre may be less than its current valuation or the purchase price paid by Axis-REIT; and
- (vi) Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow.

## **5. FINANCIAL EFFECTS OF THE PROPOSALS**

The financial effects of the Proposals are as follows:

### **5.1 Issued Fund Size**

The proforma effects of the Proposals on the unitholders' capital of Axis-REIT are shown in Appendix I.

### **5.2 NAV and Gearing**

The proforma effects of the Proposals based on the audited proforma financial statements of Axis-REIT as at 31 December 2008 are set out in Appendix I.

### **5.3 Earnings**

The Board expect the Proposed Acquisition to contribute positively to the earnings of the Fund for the FYE 31 December 2009, if completion is achieved prior to the financial year end.

The Manager proposes to issue the Subject Units by the fourth quarter of 2009. As such, the Proposed Authority and Proposed Increase in Fund Size are not expected to have any material effect on the earnings of the Fund for the FYE 31 December 2009.

However, the earnings per unit is expected to be correspondingly diluted as a result of the increase in the number of units in issue pursuant to the Subject Units. However, the dilution is expected to be offset by improved earnings of the Fund attributable to the Proposed Acquisition and future earnings accretive acquisitions.

The effect on the earnings of the subsequent financial years will depend on the contribution from the existing real estate properties of Axis-REIT, Axis Steel Centre and future acquisitions.

### **5.4 Substantial Unitholders' Unitholding**

The proforma effects of the Proposals on the substantial unitholding structure of Axis-REIT are set out in Appendix I.

## **6. CONDITIONS OF THE PROPOSALS**

The Proposals are subject to the following approvals being obtained:

- (i) the Trustee, which was obtained on 7 May 2009;
- (ii) Islamic Banking And Finance Institute Malaysia Sdn. Bhd, as the Shariah Adviser for Axis-REIT, which was obtained on 15 June 2009;
- (iii) Bursa Securities, for the approval-in-principle for the listing of and quotation for the Subject Units;
- (iv) the approval of MISB's shareholders (if required) or MISB's company secretary's confirmation that MISB's shareholders' approval is not required for the Proposed Acquisition, and MISB's board of directors' resolution, approving:
  - (a) the sale of the Axis Steel Centre upon the terms and conditions of the SPA; and
  - (b) the execution of all relevant documents under seal in accordance with its Memorandum and Articles of Association and by such persons authorised by MISB;
- (v) the state authority's unconditional approval for the transfer of the Axis Steel Centre to the Trustee;
- (vi) the unitholders of Axis-REIT at a general meeting of unitholders to be convened ("Meeting");
- (vii) the consent of the existing chargee for the sale of the Axis Steel Centre by MISB;

- (viii) stamped copies of the existing lease agreements with the novation agreements duly executed by the existing lessees and MISB being deposited with the Trustee's solicitors as stakeholders; and
- (iv) the approval or consent of any relevant public authority, if required.

The Proposed Acquisition is not conditional on the Proposed Authority and Proposed Increase in Fund Size. The Proposed Authority and Proposed Increase in Fund Size are inter-conditional.

## **7. DIRECTORS OF THE MANAGER AND MAJOR UNITHOLDERS' INTERESTS**

None of the Directors of the Manager, the sole shareholder of the Manager and major unitholders of Axis-REIT and persons connected with them is interested in the Proposed Authority and Proposed Increase in Fund Size.

Save as disclosed below, the Manager is not aware of any other Directors of the Manager, the sole shareholder of the Manager and/or major unitholders of Axis-REIT and/or persons connected with them who have any interest, direct or indirect, in the Proposed Acquisition:

### **7.1 Directors of the Manager**

- (i) Dato' Abas Carl Gunnar Bin Abdullah, Executive Deputy Chairman of the Manager. He is also a Director and shareholder of MISB; and
- (ii) Tew Peng Hwee @ Teoh Peng Hwee, Non-Independent Non-Executive Director of the Manager. He is also the Director and shareholder of MISB.

Dato' Abas Carl Gunnar bin Abdullah and Tew Peng Hwee @ Teoh Peng Hwee have abstained and shall continue to abstain from voting and deliberating on any Board resolutions relating to the Proposed Acquisition.

Dato' Abas Carl Gunnar bin Abdullah and Tew Peng Hwee @ Teoh Peng Hwee will also abstain from voting in respect of their direct interest and indirect unitholdings on the resolution pertaining to the Proposed Acquisition at the forthcoming meeting and shall further undertake to ensure that persons connected with them shall abstain from voting in respect of their direct and indirect unitholdings (if any) on the resolution pertaining to the Proposed Acquisition at the forthcoming Meeting.

### **7.2 Major Unitholder**

Baiduri Kemas is a major unitholder of Axis-REIT. As at 16 July 2009, Baiduri Kemas holds directly 33,790,000 units representing 13.20% of the total fund size of Axis-REIT.

Dato' Abas Carl Gunnar bin Abdullah and Tew Peng Hwee @ Teoh Peng Hwee are the ultimate shareholders of Baiduri Kemas.

Baiduri Kemas will abstain from voting in respect of its direct interest and indirect unitholdings (if any) on the resolution pertaining to the Proposed Acquisition at the forthcoming meeting and shall further undertake to ensure that persons connected with it shall abstain from voting in respect of their direct and indirect unitholdings (if any) on the resolution pertaining to the Proposed Acquisition at the forthcoming Meeting.

**8. STATEMENT BY MANAGER**

The Board (save for the Interested Parties who have and will continue to abstain from deliberating on the Proposed Acquisition), having considered all aspects of the Proposals and after careful deliberation, is of the opinion that the Proposals are in the best interest of the Fund.

**9. DEPARTURE FROM THE REIT GUIDELINES**

To the best knowledge of the Board, the Proposals do not depart from the REIT Guidelines.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

The conditional SPA and Valuation Report are available for inspection at the registered office of Axis REIT Managers at Suite 11.1A Level 11, Menara Weld, 76 Jalan Raja Chulan, 50200 Kuala Lumpur during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

**11. ESTIMATED TIME FRAME FOR COMPLETION**

Barring any unforeseen circumstances, the Proposed Acquisition is expected to be completed by fourth quarter of 2009, whilst the Proposed Authority and Proposed Increase in Fund Size shall continue to be in force until 31 December 2009.

This announcement is dated 20 July 2009.