

Type : **Announcement**
Subject : **Axis Real Estate Investment Trust (“Axis-REIT” or the “Fund”)
Revaluation of Investment Properties pursuant to Financial Reporting
Standard 140 and Clause 10.03 of the Guidelines on Real Estate Investment
Trusts (“REIT Guidelines”) issued by the Securities Commission (“SC”)**

1. Introduction

The Board of Directors (“Board”) of Axis REIT Managers Berhad (“ARMB” or the “Manager”), the management company of Axis Real Estate Investment Trust (“Axis-REIT” or the “Fund”), wishes to announce that Axis-REIT has undertaken a revaluation exercise on the following properties:

- 1 Axis Business Park
- 2 Axis Plaza
- 3 Axis Steel Centre
- 4 Axis Shah Alam DC 1
- 5 Axis Technology Centre
- 6 Axis Vista
- 7 BMW Asia Technology Centre
- 8 Bukit Raja Distribution Centre
- 9 Wisma Bintang
- 10 Crystal Plaza
- 11 Delfi Warehouse
- 12 FCI
- 13 Giant Hypermarket
- 14 Infinite Centre
- 15 Kayangan Depot
- 16 Wisma Kemajuan
- 17 Kompakar CRC HQ
- 18 Menara Axis
- 19 Nestle Warehouse
- 20 Quattro West
- 21 Niro Warehouse
- 22 Axis PDI Centre
- 23 Seberang Prai Logistic Warehouse 1
- 24 Seberang Prai Logistic Warehouse 2
- 25 Tesco Bukit Indah
- 26 D8 Logistics Warehouse
- 27 Axis Eureka

hereinafter referred to as (“Revaluation”).

2. Purpose of Revaluation

The purpose of the Revaluation was to ascertain the current market value of the abovementioned 27 investment properties for accounting purposes in line with the Financial Reporting Standard (“FRS”) 140 and also to comply with Clause 10.03 of the SC’s REIT Guidelines where certain properties were required to be revalued once in every three (3) years.

Under the fair value model of FRS 140, the fair value of the investment property shall reflect market conditions at the balance sheet date (i.e. the investment property is revalued every year). As Axis-REIT has

adopted the fair value model stipulated in FRS 140, Axis-REIT will be required to conduct a yearly revaluation on all its real estate properties.

The Revaluation is not subject to the approval of the SC but the valuation reports of all the abovementioned properties shall be deposited with the SC in accordance with the SC's REIT Guidelines.

3. Revaluation Surplus/(Deficit)

The details of the revaluation surplus/(deficit) are set out in the tabulation below:

	Name of Properties	Valuation date	Net Book Value as at 31 Dec 2011 (RM'000)	Open Market Value (RM'000)	Surplus / (deficit) to be incorporated into Axis-REIT (RM'000)
1	Axis Business Park *	05.12.2011	107,850	108,000	150
2	Axis Plaza *	02.08.2011	31,095	31,000	(95)
3	Axis Steel Centre **	01.07.2011	75,000	75,000	-
4	Axis Shah Alam DC 1 ***	08.04.2011	19,114	20,200	1,086
5	Axis Technology Centre **	07.12.2011	52,010	52,000	(10)
6	Axis Vista *	01.07.2011	35,783	35,800	17
7	BMW Asia Technology Centre *	05.12.2011	28,585	28,500	(85)
8	Bukit Raja Distribution Centre ***	08.12.2011	80,600	84,300	3,700
9	Wisma Bintang ^^	08.12.2011	47,047	47,100	53
10	Crystal Plaza #	05.12.2011	100,917	101,000	83
11	Delfi Warehouse ***	18.10.2011	13,500	13,900	400
12	FCI *	05.12.2011	14,014	14,000	(14)
13	Giant Hypermarket ^	11.12.2011	39,098	39,200	102
14	Infinite Centre *	02.12.2011	36,233	37,000	767
15	Kayangan Depot ^^	21.11.2011	20,227	22,000	1,773
16	Wisma Kemajuan ^^	08.12.2011	54,118	54,200	82
17	Kompakar CRC HQ *	05.12.2011	41,010	41,000	(10)
18	Menara Axis **	06.12.2011	98,834	106,000	7,166
19	Nestle Warehouse ***	10.08.2011	9,069	9,000	(69)
20	Quattro West **	05.12.2011	53,840	52,000	(1,840)
21	Niro Warehouse ***	07.12.2011	15,975	16,000	25
22	Axis PDI Centre **	07.12.2011	92,000	92,000	-
23	Seberang Prai Logistic Warehouse 1 ***	07.12.2011	18,990	18,990	-
24	Seberang Prai Logistic Warehouse 2 ***	07.12.2011	7,490	7,490	-
25	Tesco Bukit Indah *	06.12.2011	85,000	86,000	1,000
26	D8 Logistics Warehouse ***	07.12.2011	30,521	31,300	779
27	Axis Eureka ***	08.12.2011	52,247	53,200	953
	TOTAL		1,260,167	1,276,180	16,013

Notes:

- * The valuations were done by CB Richard Ellies (Malaysia) Sdn Bhd, an independent firm of professional valuers
- ** The valuations were done by PA International Property Consultants (KL) Sdn Bhd, an independent firm of professional valuers
- *** The valuations were done by C H Williams Talhar & Wong Sdn Bhd, an independent firm of professional valuers
- ^ The valuation was done by Cheston International (KL) Sdn Bhd, an independent firm of professional valuers
- ^^ The valuations were done by First Pacific Valuers Property Consultants Sdn Bhd, an independent firm of professional valuers
- # The valuation was done by Rahim & Co Chartered Surveyors Sdn. Bhd, an independent firm of professional valuers

4. Effects on the Net Asset Value

The Revaluation represents an increase of 1.27% over the unaudited net book value of the abovementioned 27 properties of RM1,260,166,522 as at 31 December 2011 (before Revaluation). Based on the unaudited results as at 31 December 2011 (before Revaluation), the net asset value per unit of RM2.0451 will increase to RM2.0804 upon incorporation of the revaluation surplus of RM16,013,478.

5. Documents Available For Inspection

The valuation reports in relation to the Revaluation are available for inspection at the:

- 5.1 registered office of the Manager at Suite 11.1A, Level 11, Menara Weld, 76, Jalan Raja Chulan, 50200 Kuala Lumpur; and
- 5.2 Manager's office at Suite 6.04 Penthouse, Wisma Academy, 4A Jalan 19/1, 46300 Petaling Jaya, Selangor

during normal office hours from Monday to Friday (except public holidays) for a period of three (3) months from the date of this announcement.

This announcement is dated 16 January 2012.