

AXIS REAL ESTATE INVESTMENT TRUST (“AXIS-REIT” OR “FUND”)

PROPOSED MODIFICATIONS TO THE DEED DATED 3 APRIL 2009 (“PRINCIPAL DEED”) (AS AMENDED BY THE SUPPLEMENTAL DEED DATED 15 DECEMBER 2011 (“SUPPLEMENTAL DEED”)) EXECUTED BETWEEN AXIS REIT MANAGERS BERHAD (“MANAGER”) AND RHB TRUSTEES BERHAD (FORMERLY KNOWN AS OSK TRUSTEES BERHAD) (“TRUSTEE”) CONSTITUTING AXIS-REIT

1. INTRODUCTION

On behalf of the Board of Directors of the Manager (“**Board**”), the management company of Axis-REIT, Maybank Investment Bank Berhad (“**Maybank IB**”) wishes to announce that the Manager proposes to:

- (i) amend the Principal Deed (as amended by the Supplemental Deed) by incorporating such provisions as may be necessary to enable the Manager and the Trustee to perform their duties and responsibilities arising from the changes and/or revision in the applicable laws, regulations and guidelines governing real estate investment trusts (“**Applicable Requirements**”) issued by Bursa Malaysia Securities Berhad, the Securities Commission Malaysia (“**SC**”) and any other relevant authority, by way of entering into a new supplemental deed with the Trustee (“**New Supplemental Deed**”); and
- (ii) consolidate all of such amendments made to the Principal Deed pursuant to the Supplemental Deed and New Supplemental Deed by way of entering into a new principal deed with the Trustee, which is a restatement of all such provisions governing Axis-REIT for the time being (“**Restated Principal Deed**”),

(collectively referred to as “**Proposed Modifications**”).

The New Supplemental Deed and Restated Principal Deed will take effect from their respective dates of registration with the SC.

2. DETAILS OF THE PROPOSED MODIFICATIONS

The Manager proposes to modify the Principal Deed to incorporate such amendments in accordance with the changes in the Applicable Requirements by entering into the New Supplemental Deed. The Manager also proposes to consolidate all of such amendments made to the Principal Deed pursuant to the Supplemental Deed and New Supplemental Deed by way of entering into the Restated Principal Deed.

The Board and the Trustee are of the opinion that the Proposed Modifications:

- (i) do not materially prejudice the interests of the unitholders of Axis-REIT (“**Unitholders**”); and
- (ii) do not operate to release the Manager or the Trustee from any responsibility to the Unitholders,

and a statement from the Manager and the Trustee certifying the above shall be made upon the registration of the New Supplemental Deed and the Restated Principal Deed with the SC in accordance with Section 295(4)(b) of the Capital Markets and Services Act, 2007.

As such, the Proposed Modifications do not require the approval of the Unitholders.

3. RATIONALE FOR THE PROPOSED MODIFICATIONS

The Proposed Modifications are necessary and expedient for the purposes of complying with the changes in the Applicable Requirements including amendments which are administrative and/or technical in nature in order to provide better clarity to certain provisions in the Principal Deed (as amended by the Supplemental Deed) and the consolidation of all such provisions governing Axis-REIT for the time being into the Restated Principal Deed will enable the Manager and Trustee to perform their duties and responsibilities effectively under the Fund.

4. EFFECTS OF THE PROPOSED MODIFICATIONS

The Proposed Modifications will not have any effect on the Unitholders' capital, distributable income, substantial Unitholders' unitholdings in Axis-REIT, earnings per unit in Axis-REIT, net asset value per unit in Axis-REIT and gearing of Axis-REIT.

5. APPROVALS REQUIRED

The Proposed Modifications are subject to the following approvals being obtained:

- (i) Trustee which was obtained on 15 November 2013; and
- (ii) any other relevant authorities and/or parties (if required).

The New Supplemental Deed and Restated Principal Deed shall be registered and lodged with the SC within one (1) month from the date of this Announcement.

6. INTERESTS OF THE DIRECTORS AND MAJOR SHAREHOLDER OF THE MANAGER, MAJOR UNITHOLDERS AND/OR PERSONS CONNECTED TO THEM

None of the Directors and major shareholder of the Manager, major Unitholders and/or persons connected to them has any interest, direct or indirect, in the Proposed Modifications.

7. DIRECTORS' STATEMENT

The Board, having considered all aspects of the Proposed Modifications is of the opinion that the Proposed Modifications which are necessary for administrative efficiency are in the best interest of the Fund.

8. ADVISER

The Manager has appointed Maybank IB as the Adviser for the Proposed Modifications.

9. ESTIMATED TIMEFRAME FOR COMPLETION

Barring any unforeseen circumstances and subject to all approvals being obtained, the Proposed Modifications are expected to be completed by end of the fourth quarter of 2013.

This Announcement is dated 22 November 2013.