

Q2



## Axis REIT Managers Bhd Q2 2015 Results Presentation

4<sup>th</sup> August 2015

2015

# Q2 2015 Highlights



# Axis-REIT turns 10!



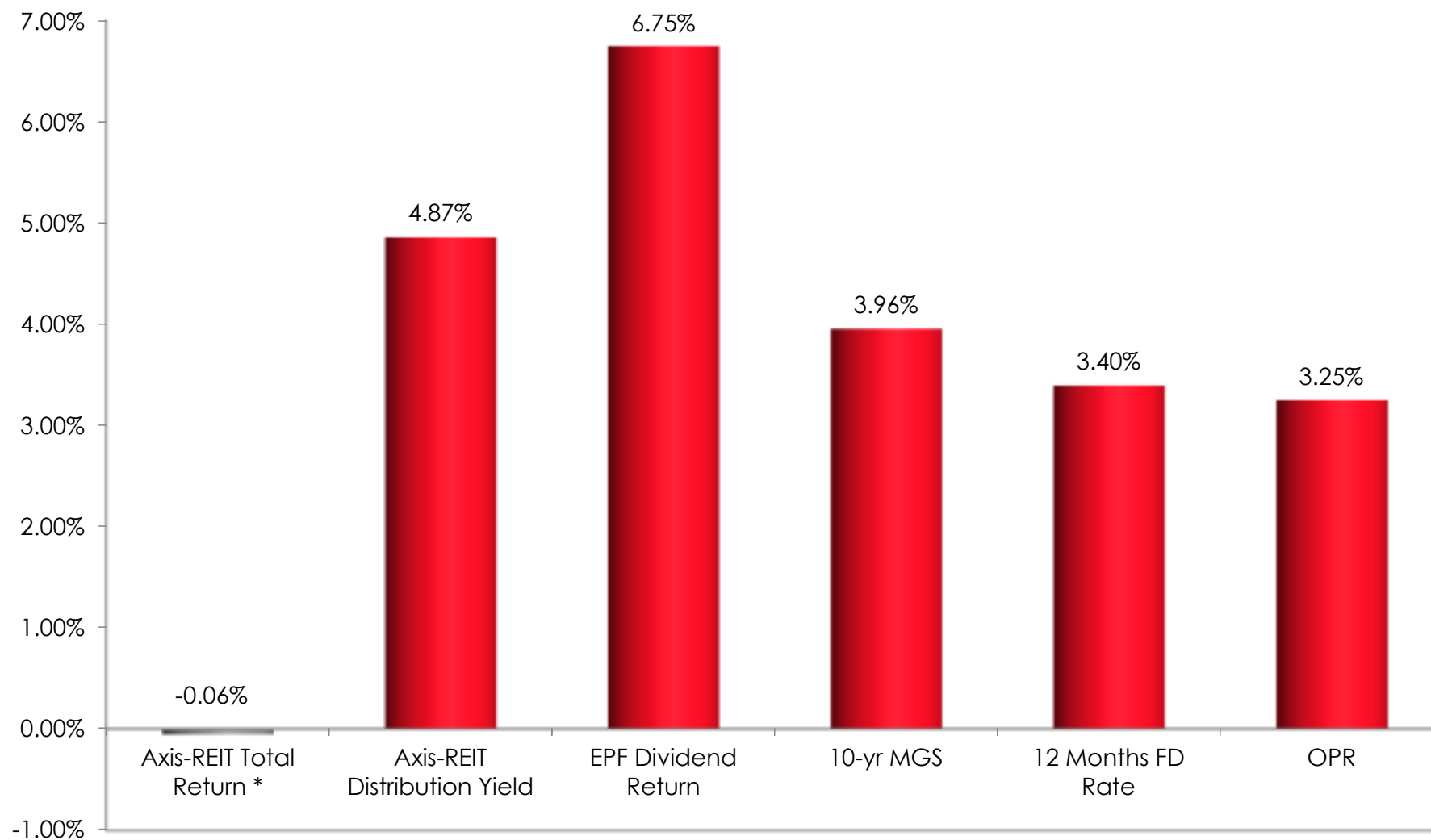
Axis-REIT was listed on the 3<sup>rd</sup> August 2005



## Our 10 year milestones - briefly

- ✓ Assets Under Management RM 296 Million → RM2.04 Billion
- ✓ Space Under Management 978,000 sq. ft. → 7,020,000 sq. ft.
- ✓ Properties 5 → 34
- ✓ Valuation Gain since listing RM 276,000,000
- ✓ First REIT to convert into an Islamic REIT
- ✓ First PLC to adopt Cloud Computing
- ✓ First REIT to introduce the Income Distribution Reinvestment Scheme
- ✓ Winner of Best Practices Award from Asian Public Real Estate Association
- ✓ Founding member of the Malaysian REIT Managers Association
- ✓ Total return to investors since listing 307%

# Q2 2015 Return Comparatives



\* (Based on DPU from operations + gain on disposal + movement in market price)/  
Opening market price as at 1 January 2015)

## 1H 2015 Highlights

**RM 2,044,682,000**

Investment  
Properties

## Highlights 1H 2015

- ✓ Completed the acquisition of Axis Shah Alam DC 2 for RM45 million on 31 March 2015, which was the remaining property with a related party initially transacted in 2014.
- ✓ Acceptance of a Letter of Offer to acquire and leaseback a leading cold chain logistics facility for RM46.0 million located in Port Klang on 22 June 2015.
- ✓ Acceptance of a Letter of Offer to acquire a manufacturing facility for RM61.0 million located in Indahpura, Johor on 30 July 2015.
- ✓ A total of RM8.702 million revaluation gain has been recorded in 1H 2015.
- ✓ Obtained approvals from SC and Bursa Securities on 30 June 2015 and 24 July 2015, respectively, for the Proposed Unit Split of 1 existing unit into 2 new units, Proposed Authority and Proposed renewal of IDRP, which will be tabled to the Unitholders of Axis-REIT for approval at the EGM on 21 August 2015.
- ✓ Declared a total of 8.40 sen DPU for 1H 2015.
- ✓ Traded at a premium of 39.8% to our NAV as of 30 June 2015.



# 1H 2015 Finance Report



# 1H 2015 Summary

	1H 2015
Total Net Income ("Realised") (RM' 000)	46,073
Income Available for Distribution ("Realised") (RM' 000)	46,423
Earnings per Unit ("EPU") ("Realised") (Sen)	8.41
Income Distribution Declared (RM'000)	46,012
Distribution per Unit ("DPU") (Sen) *	8.40
Number of Investment Properties	34
Units in Circulation (Units)	547,758,040
Assets Under Management (RM'000)	2,086,675
Total Financing (RM'000)	677,792
Gearing Ratio	32.48%
Total Unitholder's Fund (RM'000)	1,352,042
Market Capitalization (RM'000)	1,889,765
Net Asset Value per Unit (RM)	2.47
IPO Retail Unit Price (RM)	1.25
Unit Price as at 30 June 2015 (RM)	3.45
Number of Unitholders	3,219

\* Includes of second interim income distribution of 4.30 sen to be paid on 11 September 2015

# Income Statement Q2 2015 vs Q2 2014

	Q2 2015 (RM '000)	Q2 2014 (RM'000)	Changes / Movement
No. of Properties	34	30	+ 4
Property Income	41,210	34,839	+ 18.3%
Property Expenses	(5,897)	(5,379)	+ 9.6%
Net Property Income	35,313	29,460	+ 19.9%
Profit Income	127	246	
Non-Property Expenses	(4,342)	(3,339)	+ 30.0%
Islamic Financing Cost	(7,532)	(5,603)	+ 34.4%
Net Income	23,566	20,764	+ 13.5%
DPU (sen)			
– on performance	4.30	4.50	- 4.4%
– gain on disposal	-	0.80	-
No. of units in issuance	547,758,040	463,700,098	+ 18.1%

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

# Income Statement 1H 2015 vs 1H 2014

	1H 2015 (RM '000)	1H 2014 (RM'000)	Changes / Movement
No. of Properties	34	30	+ 4
Property Income - <b>Note 1</b>	81,614	70,251	+ 16.2%
Property Expenses - <b>Note 2</b>	(11,916)	(11,219)	+ 6.2%
Net Property Income	69,698	59,032	+ 18.1%
Profit Income	342	430	
Net gain in disposal of property	-	1,614	
Non-Property Expenses - <b>Note 3</b>	(9,219)	(6,820)	+ 35.2%
Islamic Financing Cost - <b>Note 4</b>	(14,748)	(11,192)	+ 31.8%
Net Income	46,073	43,064	+ 7.0%
DPU (sen)			
– on performance	8.40	9.00	- 6.7%
– gain on disposal	-	1.60	-
No. of units in issuance	547,758,040	463,700,098	+ 18.1%

Note: The above financials excludes unrealised earnings due to changes in fair value of investment properties/tenants' deposits and derivative liability. **11**

# Income Statement 1H 2015 vs 1H 2014

## **Note 1 – Property Income**

The higher property income is mainly due to contribution of rental proceeds from newly completed property acquisitions in Q4 2014 and Q1 2015, ie. Axis MRO Hub, Axis Shah Alam DC 3, Axis Steel Centre@SiLC and Axis Shah Alam DC2.

## **Note 2 – Property Expenses**

Property expenses increased due to new properties added into the portfolio during the period. (efficiency ratio on the portfolio has improved from 15.97% to 14.60%).

## **Note 3 – Non-Property Expenses**

The MER of the Fund as at 30 June 2015 is 1.31% of NAV, slight increase as compared to 1.30% for 1H 2014. The increase is mainly due to GST compliant related costs that had been incurred during the period.

## **Note 4 – Islamic Financing Cost**

Additional financing facilities utilised to fund the acquisitions attributed to the higher Islamic Financing Cost.



# Gross Yield of Investment Properties

**Average gross yield 1H 2015 = 9.84%**

	Properties	Gross yield (%)
1	Wisma Kemajuan	18.26%
2	Crystal Plaza	14.29%
3	Delfi Warehouse	13.48%
4	FCI Senai	12.96%
5	Menara Axis	12.53%
6	BMW Centre PTP	12.35%
7	D8 Logistics Warehouse	12.08%
8	Strateq Data Centre	11.90%
9	Niro Warehouse	11.42%
10	Seberang Prai Logistic Warehouse 3	10.83%
11	Fonterra HQ	10.82%
12	Wisma Academy Parcel	10.35%
13	Axis PDI Centre	9.97%
14	Infinite Centre	9.95%
15	Quattro West	9.92%
16	Emerson Industrial Facility Nilai	9.86%
17	Axis Vista	9.83%

18	Bayan Lepas Distribution Centre	9.66%
19	Axis Shah Alam DC 1	9.32%
20	Giant Hypermarket, Sungei Petani	9.03%
21	Seberang Prai Logistic Warehouse 1	9.01%
22	Axis Steel Centre	8.82%
23	Bukit Raja Distribution Centre	8.80%
24	Seberang Prai Logistic Warehouse 2	8.53%
25	Axis Business Park	8.47%
26	Tesco Bukit Indah	8.43%
27	Axis MRO Hub	7.91%
28	Axis Shah Alam DC 3	7.90%
29	Axis Shah Alam DC 2	7.71%
30	Axis Technology Centre	7.68%
31	Axis Steel Centre@ SiLC	7.46%
32	Axis Eureka	7.14%
33	The Annex	6.68%
34	Axis Business Campus	-

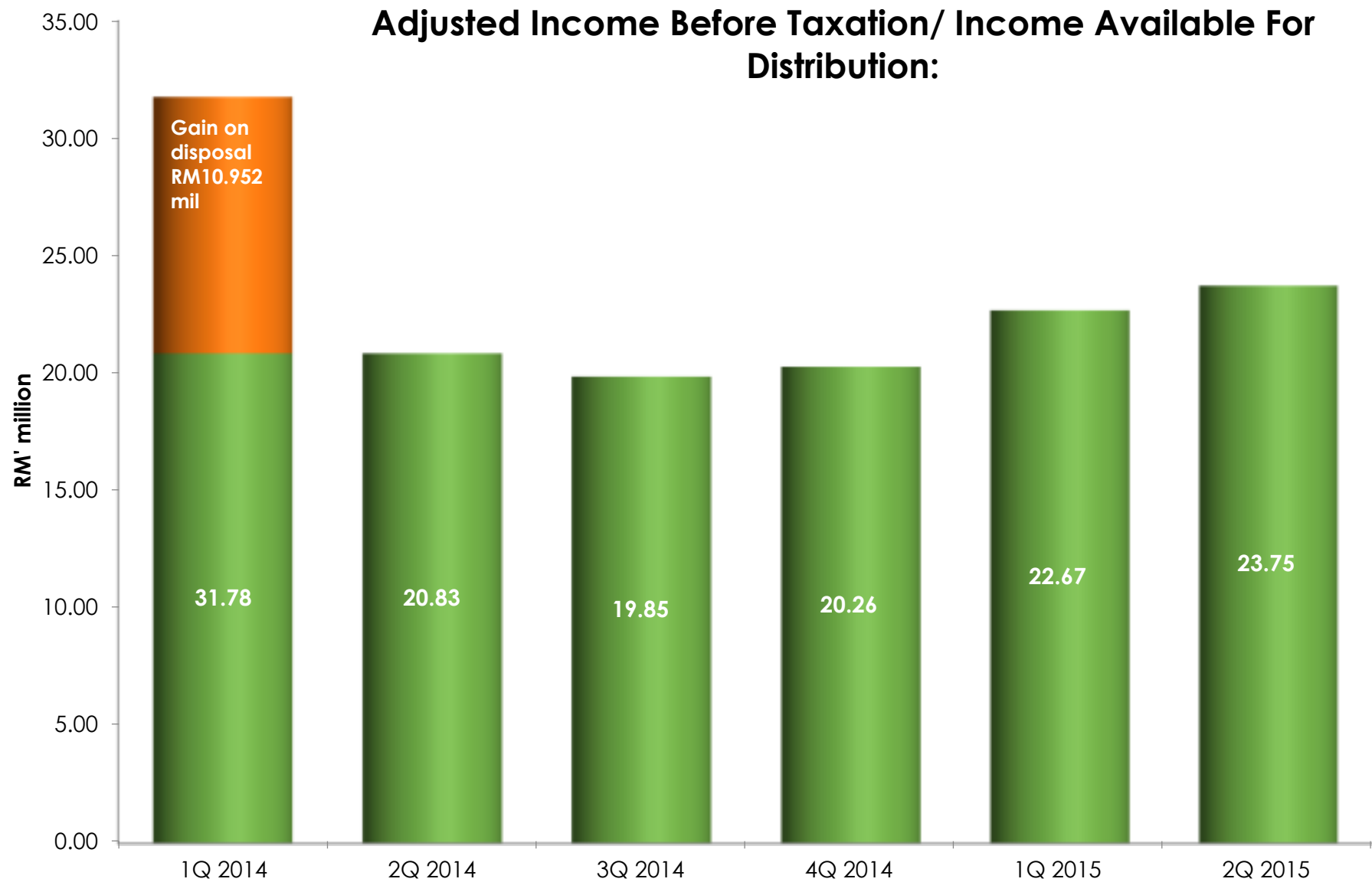
# Net Yield of Investment Properties / Cost

	Properties	Net yield (%)
1	Wisma Kemajuan	14.17%
2	Crystal Plaza	11.96%
3	Delfi Warehouse	11.72%
4	FCI Senai	11.43%
5	Strateq Data Centre	11.29%
6	D8 Logistics Warehouse	11.27%
7	BMW Centre PTP	11.22%
8	Niro Warehouse	10.32%
9	Menara Axis	10.12%
10	Seberang Prai Logistic Warehouse 3	9.77%
11	Fonterra HQ	9.16%
12	Emerson Industrial Facility Nilai	8.92%
13	Bayan Lepas Distribution Centre	8.78%
14	Axis PDI Centre	8.77%
15	Axis Vista	8.72%
16	Seberang Prai Logistic Warehouse 1	8.51%
17	Axis Shah Alam DC 1	8.34%

**Average net yield 1H 2015 = 8.66%**

18	Giant Hypermarket, Sungei Petani	8.26%
19	Bukit Raja Distribution Centre	8.24%
20	Axis Steel Centre	7.97%
21	Seberang Prai Logistic Warehouse 2	7.88%
22	Tesco Bukit Indah	7.82%
23	Quattro West	7.65%
24	Infinite Centre	7.58%
25	Axis MRO Hub	7.18%
26	Wisma Academy Parcel	7.09%
27	Axis Steel Centre@ SiLC	7.08%
28	Axis Shah Alam DC 3	7.08%
29	Axis Shah Alam DC 2	6.95%
30	Axis Business Park	6.40%
31	Axis Technology Centre	5.85%
32	Axis Eureka	4.23%
33	The Annex	4.06%
34	Axis Business Campus	

# Income Statement



# 2<sup>nd</sup> Quarter Income Distribution Statement

## **2<sup>nd</sup> Quarter 2015 Income Distribution**

### **a) 2<sup>nd</sup> Interim DPU of 4.30 sen**

This is based on a 99.1% payout ratio on Income Available for Distribution (after adding back non-cash items as allowed under the Trust Deed) for the period 1 April 2015 to 30 June 2015.

Important dates:

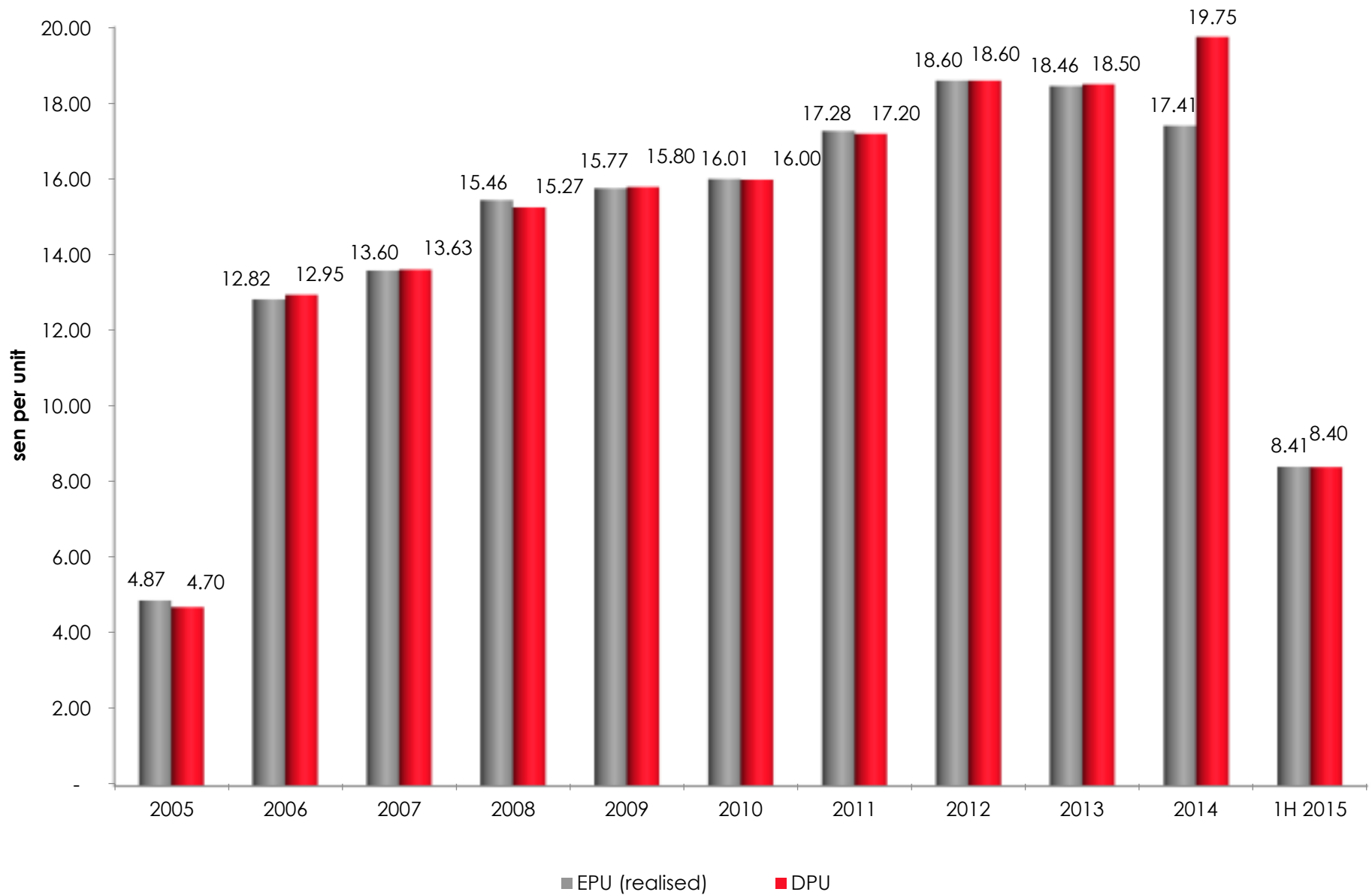
Ex-date : 13 August 2015

Entitlement date : 17 August 2015

Payment date : 11 September 2015



# Summary of EPU (Realized) and DPU



# Statement of Financial Positions

	30/06/15 (RM'000)	31/12/14 (RM'000)	Changes
Investment Properties – <b>Note 1</b>	2,044,682	1,982,587	+ 62,095
Fixed Assets	3,445	2,821	+ 624
Other Assets – <b>Note 2</b>	38,548	100,475	- 61,927
<b>TOTAL ASSETS</b>	<b>2,086,675</b>	<b>2,085,883</b>	<b>+ 792</b>
Borrowings – <b>Note 3</b>	677,792	683,769	- 5,977
Other Payables	56,841	75,745	- 18,904
<b>TOTAL LIABILITIES</b>	<b>734,633</b>	<b>759,514</b>	<b>- 24,881</b>
<b>NET ASSETS VALUE (“NAV”)</b>	<b>1,352,042</b>	<b>1,326,369</b>	<b>+ 25,673</b>
Unitholders' Capital – <b>Note 4</b>	1,045,515	1,044,664	+ 851
Undistributed Distributable Income	21,227	5,555	+ 15,672
Non-Distributable Reserve – <b>Note 5</b>	285,300	276,150	+ 9,150
<b>TOTAL UNITHOLDERS' FUND</b>	<b>1,352,042</b>	<b>1,326,369</b>	<b>+ 25,673</b>
<b>GEARING</b>	<b>32.48%</b>	<b>32.78%</b>	
<b>NAV/unit (RM)</b>	<b>2.4683</b>	<b>2.4225</b>	
<b>No. of units in issuance</b>	<b>547,758,040</b>	<b>547,522,040</b>	

# Statement of Financial Positions

## **Note 1 – Investment properties**

The acquisition of Axis Shah Alam DC2 was completed on 31 March 2015 at RM45 million. A total of RM7.611 million has been incurred for enhancement of the properties in the first half of 2015. Five properties have been revalued in 1H 2015 resulted in a gain of RM8.702 million.

## **Note 2 – Other assets**

The average collection of trade receivables is as shown below:

For Period Ended	Avg. Collection Period (in days)
31-DEC-14	2
31-MAR-15	2
30-JUN-15	7

# Statement of Financial Positions - Note 3 Borrowings

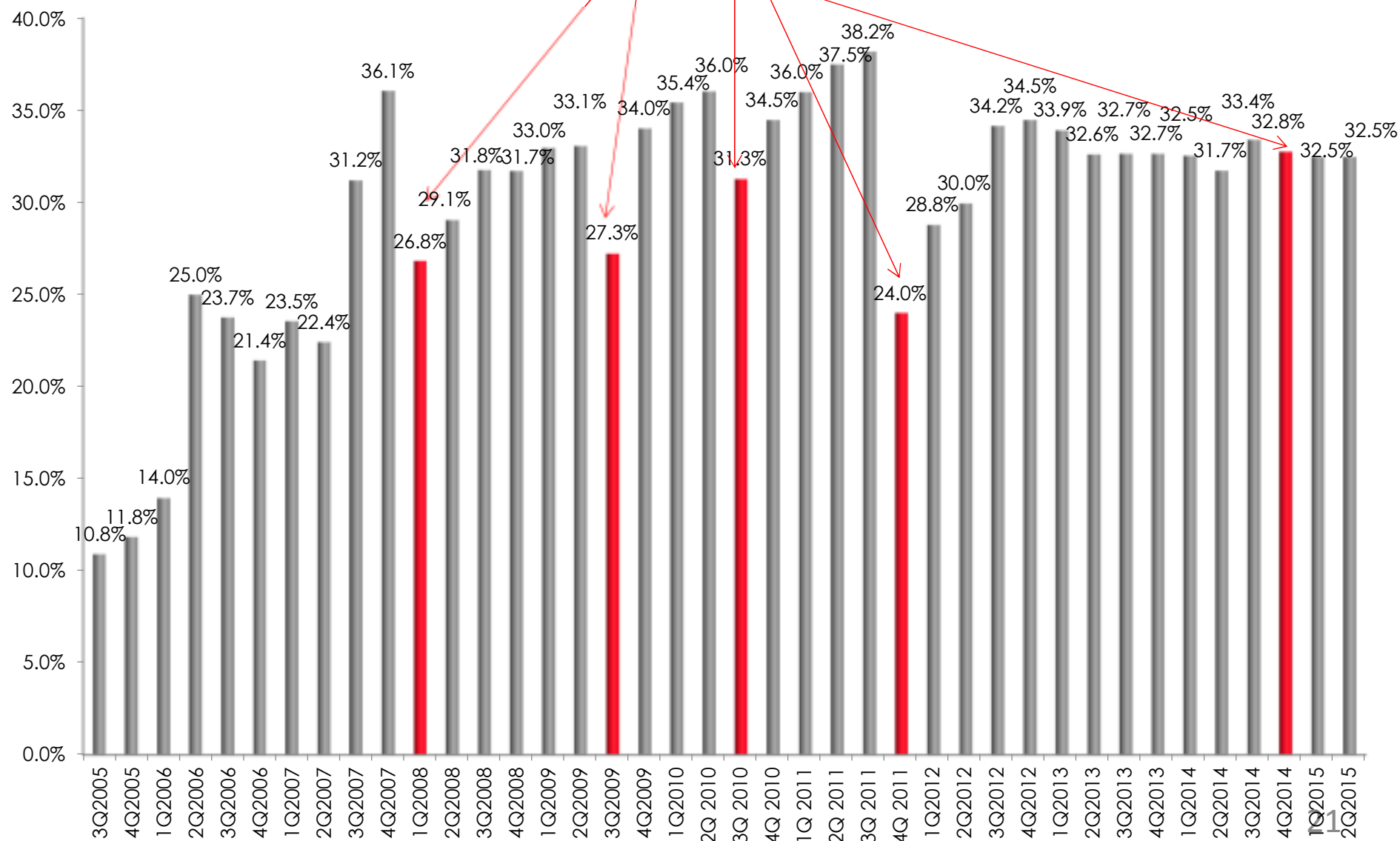
	2006	2007	2008	2009	2010	2011	2012	2013	2014	1H 2015
<b>Total Borrowings (RM'000)</b>	88,089	209,816	230,456	308,932	416,609	311,338	548,920	528,004	683,769	677,792
<b>Total Assets (RM'000)</b>	411,781	581,857	726,371	907,745	1,208,897	1,298,431	1,589,408	1,616,523	2,085,883	2,086,675
<b>Gearing</b>	21.39%	36.06%	31.73%	34.03%	34.46%	23.98%	34.54%	32.66%	32.78%	32.48%
<b>Effective Profit Rate</b>	4.38%	4.39%	4.28%	4.11%	4.48%	4.66%	4.58%	4.38%	4.24%	4.31%
<b>Percentage of short term borrowings- Maturity &lt; 1 Year</b>	100%	100%	100%	47%	48%	52%	62%	50%	61%	51%
<b>Percentage of medium/ long term borrowings (maturity more than 1 years and less than 7 years)</b>	-	-	-	53%	52%	48%	38%	50%	39%	49%
<b>Percentage of floating rate borrowings</b>	100%	100%	100%	47%	48%	52%	62%	40%	47%	46%
<b>Percentage of fixed rate borrowings</b>	-	-	-	53%	52%	48%	38%	60%	53%	54%
<b>Total unencumbered assets</b>	7	8	13	12	11	12	6	5	5	6
<b>Percentage of unencumbered assets/total assets</b>	57%	34%	44%	52%	42%	44%	19%	16%	21%	24%
<b>Financing cost cover</b>	9.4	5.6	5.5	4.8	4.1	3.8	4.6	4.5	4.5	4.2



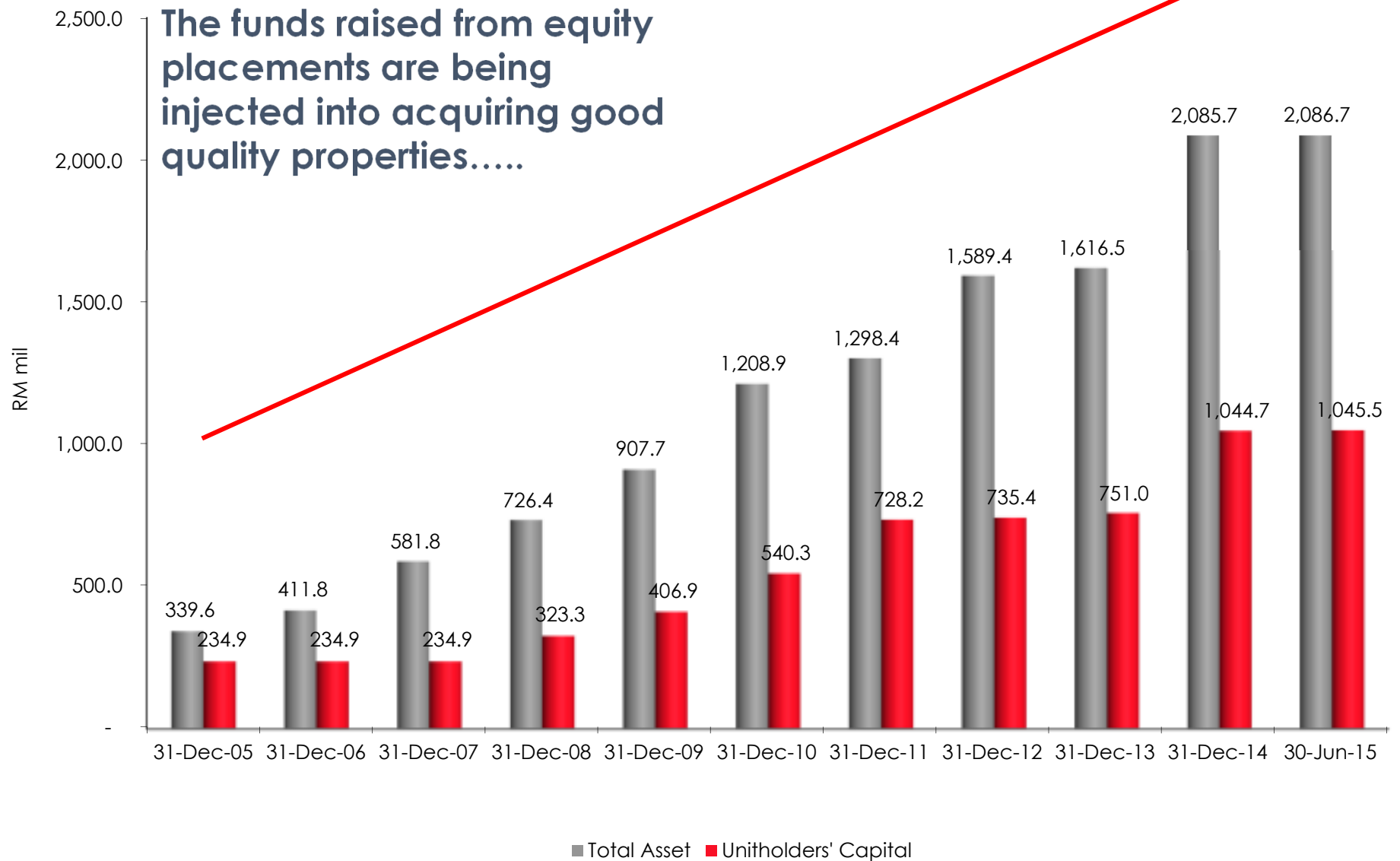
# Statement of Financial Positions

## Gearing Levels

## Placements Undertaken

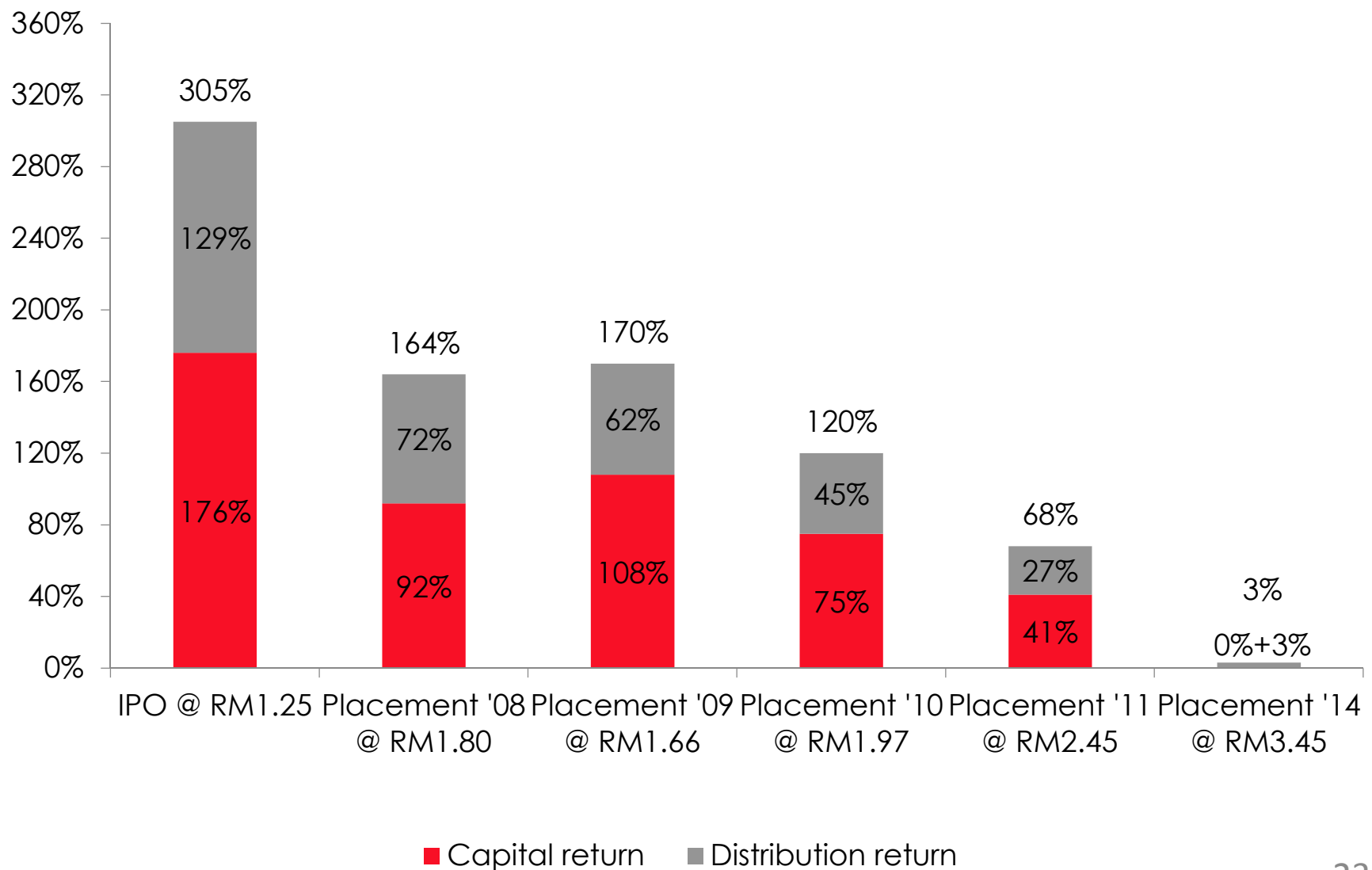


# UNITHOLDERS' CAPITAL – Note 4



## UNITHOLDERS' CAPITAL – Note 4

... resulting in good total returns to unitholders.



# Statement of Financial Positions

## Note 5 – Non-distributable reserve

Non-distributable reserve mainly comprises the favorable gain in fair value of approx. **RM276** million to date.

Building	Gain /(Loss) RM'000
Crystal Plaza	44,329
Menara Axis	38,002
Axis Business Park	24,287
Axis Vista	22,388
Wisma Kemajuan	21,920
Bukit Raja Distribution Centre	20,584
Axis Business Campus	14,807
Tesco Bukit Indah	13,699
Strateq Data Centre	10,368
Infinite Centre	7,112
Axis Shah Alam DC 1	5,829
Axis PDI Centre	5,664
The Annex	5,630
Quattro West	5,351
Wisma Academy Parcel	5,041
Fonterra HQ	3,937
Axis Steel Centre	3,727
FCI Senai	3,341

Building	Gain /(Loss) RM'000
Axis Technology Centre	2,891
Delfi Warehouse	2,797
Emerson Industrial Facility Nilai	2,693
Seberang Prai Logistic Warehouse 1	2,498
Niro Warehouse	2,466
Giant Hypermarket, Sungei Petani	2,102
BMW Centre PTP	1,937
Seberang Prai Logistic Warehouse 3	1,929
D8 Logistics Warehouse	1,914
Bayan Lepas Distribution Centre	692
Seberang Prai Logistic Warehouse 2	675
Axis Shah Alam DC 2	-
Axis Steel Centre@ SiLC	(20)
Axis Eureka	(243)
Axis MRO Hub	(357)
Axis Shah Alam DC 3	(2,416)



# Q2 2015 Revaluation of Properties

# Revaluation of Properties

Name of Properties		Net Book Value as at 30 June 2015 (RM'000)	Open Market Value (RM'000)	Surplus to be incorporated into the accounts (RM'000)
1	Axis Business Campus	68,480	73,200	4,720
2	Wisma Academy Parcel	77,016	79,500	2,484
3	The Annex	17,012	18,000	988
<b>Total</b>		<b>162,508</b>	<b>170,700</b>	<b>8,192</b>

# Q2 2015 Property Report

# 1H 2015 Overview

Q2 2015 occupancy rates have increased to 92.67% from 92.58% in Q1 2015. There have been some movements in the portfolio with a major tenant moving out from Axis Technology Centre due to their corporate consolidation exercise but this has been mitigated by the new leases secured during the period.

Our leasing team continue to work hard to secure new tenants to fill up the voids in our properties within the portfolio.

The current weakness in the Malaysian economy due to the fall in oil and commodity prices, the implementation of GST and falling Ringgit continues to impact sentiment since the beginning of the year and this has led to a weaker demand in office space.

According to a JLL Research paper, 2Q of 2015 saw negative take-up in office spaces due to down-sizing of oil and gas and banking sectors. However there is still demand from companies looking to consolidate into better quality buildings with good locations and transport links.

## 1H 2015 Overview

The vacant spaces in the portfolio currently stands at 514,313 sq. ft. It is fortunate that these vacancies are occurring in our newly refurbished buildings which have recently come back on the market. Being new and contemporary, they have generated much interest with prospective tenants.

We are currently in negotiation with a slate of new prospects and are confident that we will lease out our newly refurbished buildings. This should result in a sharp reduction in the vacancies in the portfolio. Our properties are still much in demand due to their unique configuration and central locations.





The industrial portfolio continues to perform well and has excellent growth prospects in the coming years. Demand for e-commerce platforms are rising and we are working with our current tenants to upgrade the current facilities to meet this new demand.

By filling the current voids, we expect to add as much as 3.9 sen to the annual DPU and it is the core of our strategy for 2015.



## Key Metrics



As at 30 June 2015 the Portfolio has 34 assets comprising 7,014,356 sq. ft. and 138 tenants.

Type	Q2 2015	Q1 2015	Movement
Property Income (RM' 000)	41,210	40,404	 1.99%
Property Expenses (RM' 000)	5,897	6,019	 2.03%
Net Property Income (RM' 000)	35,313	34,385	 2.70%
Occupancy	92.67%	92.58%	 0.09%

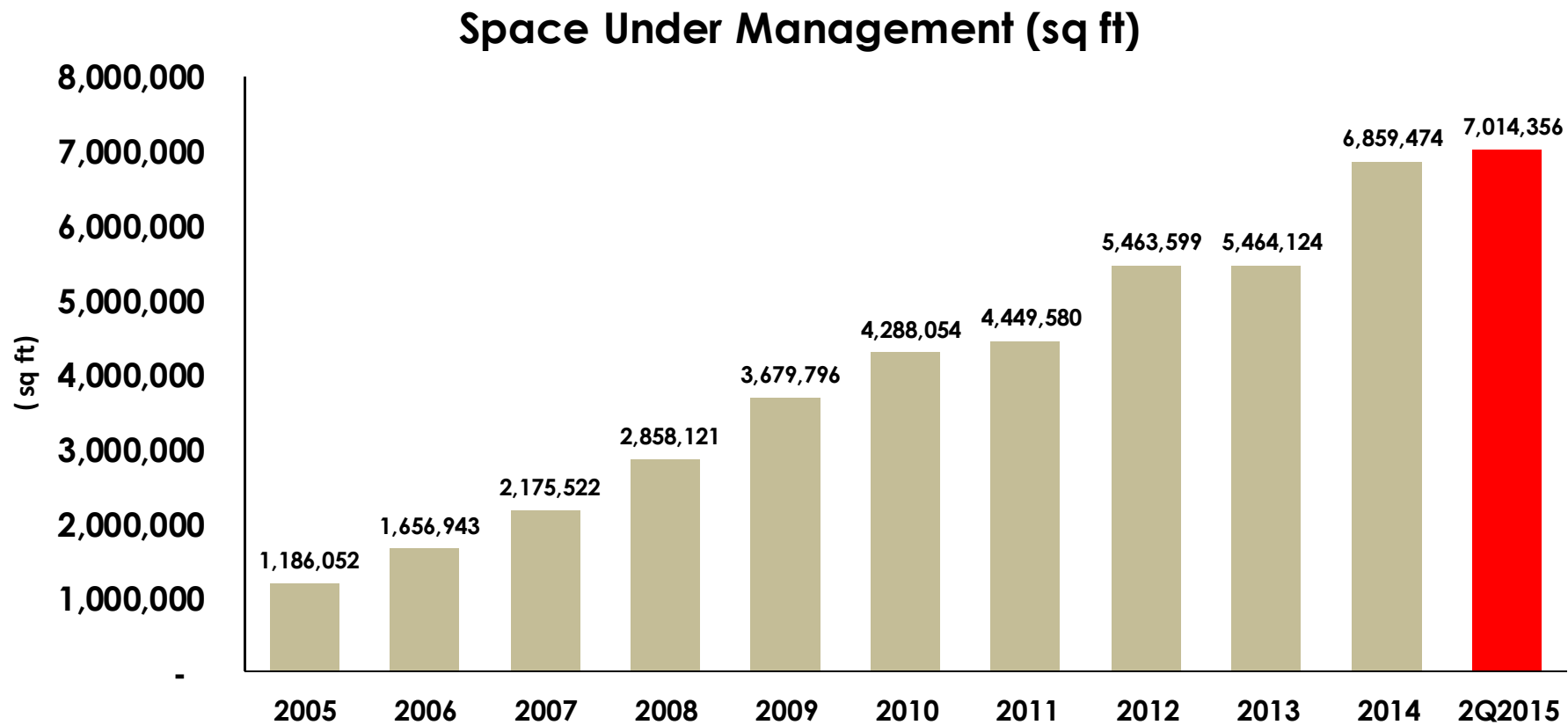


## Key Metrics

### Average Rental Rates:

Type of Properties	Q2 2015	Q1 2015	Movement
Office (RM/sq. ft.)	4.63	4.63	No change
Office Industrial (RM/sq. ft.)	2.62	2.60 	+ 0.02
Manufacturing Facilities (RM/sq. ft.)	1.29	1.29	No change
Warehouse Logistics (RM/sq. ft.)	1.69	1.68 	+ 0.01
Hypermarket (RM/sq. ft.)	2.24	2.24	No change

# Space Under Management (Sq. Ft.)



# Portfolio Occupancy Rate

As at 30 June 2015 Axis REIT has only 11 out of 34 properties that carry vacancy. 23 properties enjoy 100% occupancy.

## Occupancy

As at 31 March 2015	92.58%
As at 30 June 2015	92.67%

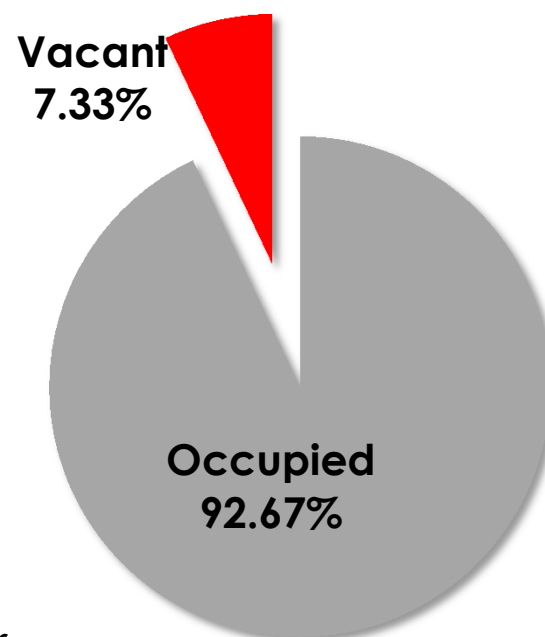
## Vacancy

As at 30 June 2015	7.33%
Space to be let out	514,313 sq. ft.

Unbilled space income RM21.6 million per year.  
Potential annual DPU upside = 3.9 sen per unit/year

For Axis REIT multi-tenanted properties Q2 2015  
Occupancy rate is **82.24%**

## Occupancy Rate

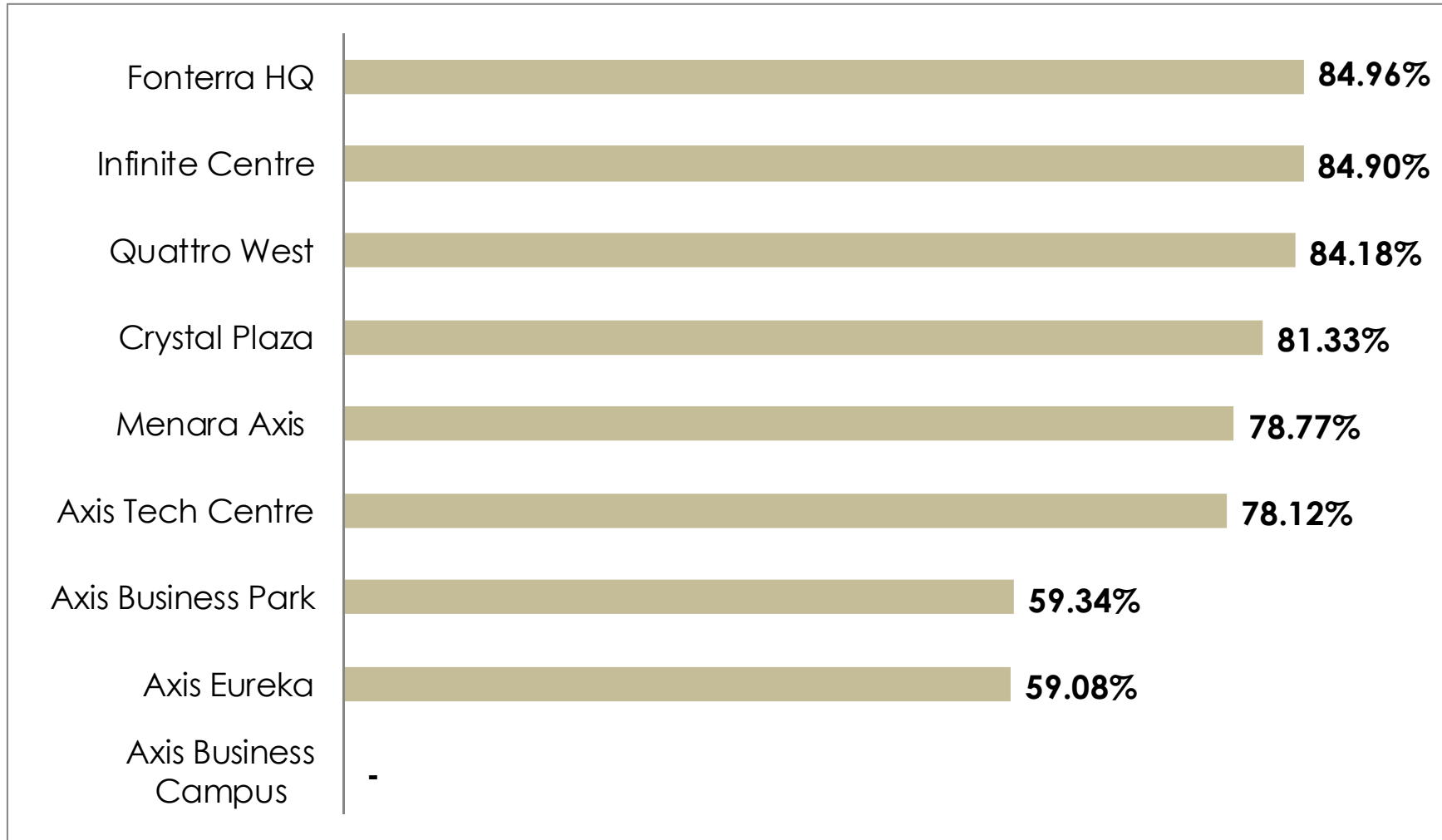


# Occupancy Rates by Property As At 30 June 2015

1	Menara Axis	78.77%	19	Niro Warehouse	100.00%
2	Crystal Plaza	81.33%	20	Delfi Warehouse	100.00%
3	Quattro West	84.18%	21	Axis Steel Centre	100.00%
4	Axis Eureka	59.08%	22	Bukit Raja Distribution Centre	100.00%
5	Axis Business Park	59.34%	23	Seberang Prai Logistic Warehouse 1	100.00%
6	Infinite Centre	84.90%	24	Seberang Prai Logistic Warehouse 2	100.00%
7	Wisma Kemajuan	97.38%	25	Axis PDI Centre	100.00%
8	Axis Business Campus	-	26	D8 Logistics Warehouse	100.00%
9	Strateq Data Centre	100.00%	27	FCI Senai	100.00%
10	Fonterra HQ	84.96%	28	Bayan Lepas Distribution Centre	100.00%
11	Axis Vista	100.00%	29	Seberang Prai Logistic Warehouse 3	100.00%
12	Axis Tech Centre	78.12%	30	Emerson Industrial Facility Nilai	100.00%
13	Wisma Academy Parcel	93.03%	31	Axis Shah Alam DC 3	100.00%
14	The Annex	100.00%	32	Axis MRO Hub	100.00%
15	Giant Hypermarket Sg. Petani	100.00%	33	Axis Steel Centre @ SiLC	100.00%
16	Tesco Bukit Indah	100.00%	34	Axis Shah Alam DC 2	100.00%
17	Axis Shah Alam DC 1	100.00%			
18	BMW Asia Technology Centre	100.00%			

# Properties Below 90% Occupancy

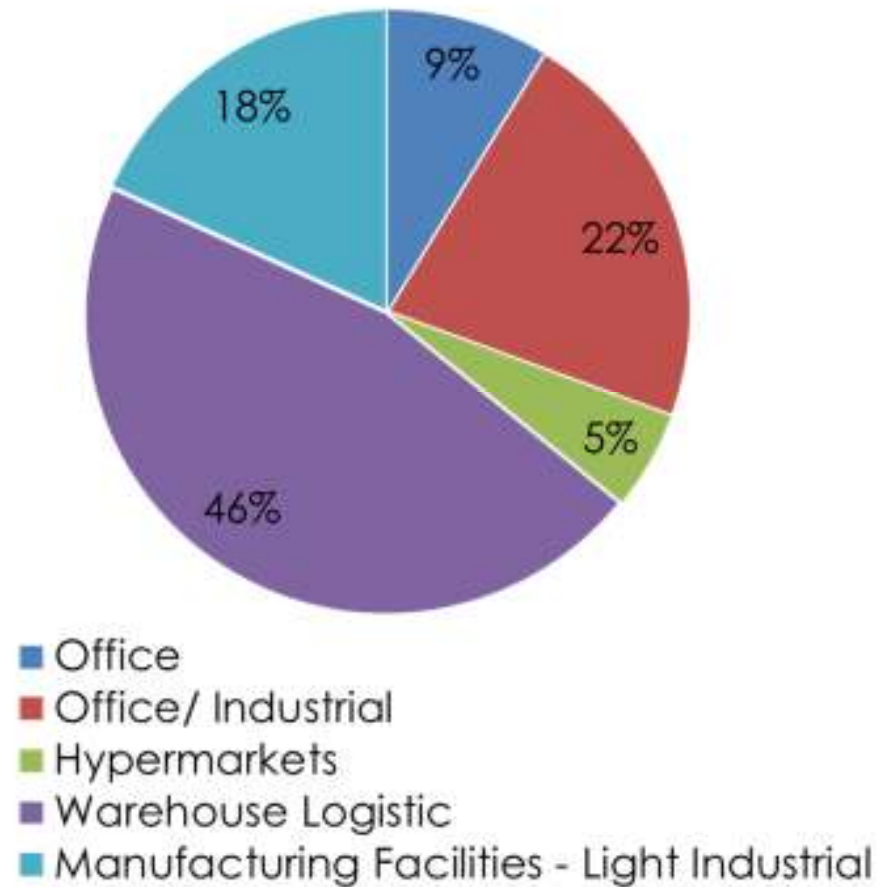
Occupancy rates of properties below 90% as at 30 June 2015



*Note: Vacant space in Fonterra HQ is built for their future expansion*

# Diversified Portfolio

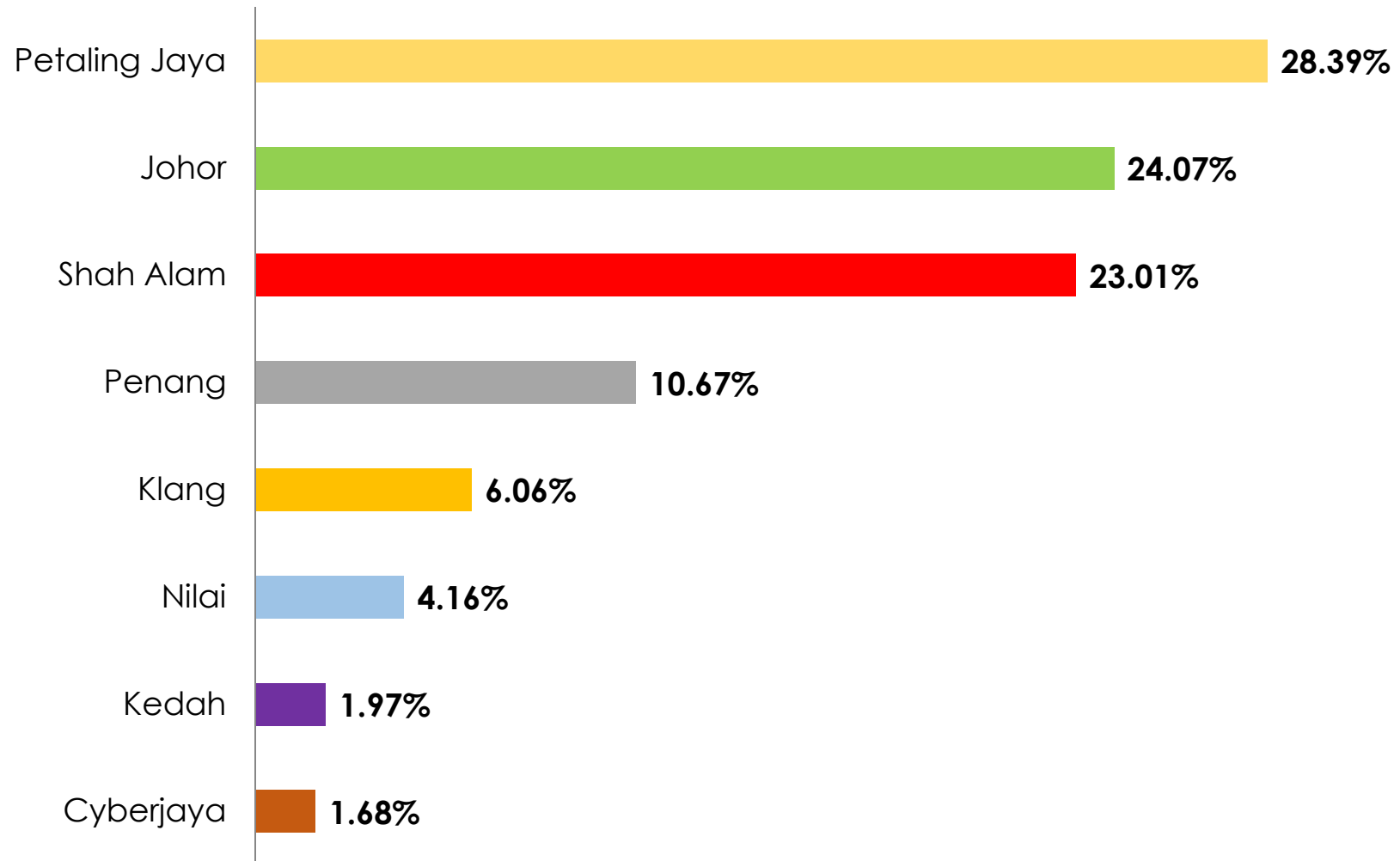
Portfolio Diversification by Type and NLA





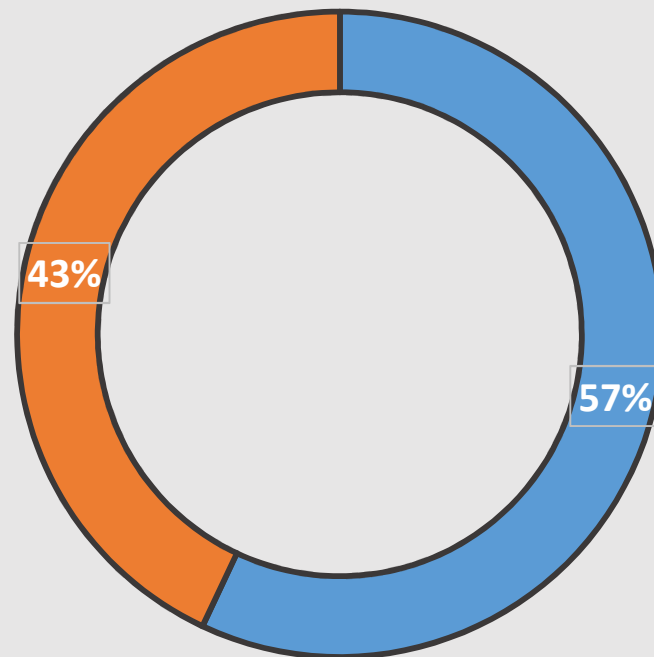
# Portfolio Location

## Portfolio Diversification by Geographical Location



# Tenancy Mix

## Single Tenant vs. Multi Tenant



■ Single Tenant ■ Multi Tenant

*Note: No change from 1Q 2015*

## Lease Expiry Profile – Looking Forward

Year	Area up for renewal	% of Total NLA	% of Rental Income
<b>2015</b>	903,977 sq. ft.	12.89%	15.27%
<b>2016</b>	1,769,935 sq. ft.	25.23%	26.92%
<b>2017</b>	1,134,364 sq. ft.	16.17%	17.89%

# Lease Expiry Profile – Looking Forward

Property	Year 2015	% of Total NLA	% of Rental Income/month	Year 2016	% of Total NLA	% of Rental Income/month	Year 2017	% of Total NLA	% of Rental Income/month
Menara Axis	-	-	0.02	91,514	1.30	2.86	22,073	0.31	1.09
Crystal Plaza	3,407	0.05	0.07	120,122	1.71	3.76	7,746	0.11	0.27
Axis Business Park	33,138	0.47	0.71	61,105	0.87	1.12	112,776	1.61	2.62
Infinite Centre	28,219	0.40	0.50	51,145	0.73	1.00	30,383	0.43	0.45
Wisma Kemajuan	68,095	0.97	1.09	116,119	1.66	2.14	9,583	0.14	0.25
Axis Vista	-	-	-	40,937	0.58	0.71	77,080	1.10	1.23
Quattro West	10,991	0.16	0.26	68,643	0.98	2.31	8,073	0.12	0.25
Axis Technology Centre	129,237	1.84	1.93	62,675	0.89	0.98	34,020	0.49	0.38
Axis Eureka	160	0.00	0.01	15,235	0.22	0.51	54,259	0.77	1.56
Wisma Academy Parcel	128,099	1.83	1.95	49,760	0.71	0.98	44,910	0.64	0.94
Annex	2,354	0.03	0.01	43,046	0.61	0.46	-	-	-
Emerson Nilai	-	-	-	291,642	4.16	1.63	-	-	-
Axis Steel Centre	-	-	-	-	-	-	366,839	5.23	3.52
Bayan Lepas Dist Centre	-	-	-	-	-	-	205,151	2.92	2.98
SPLC3	64,500	0.92	0.55	395,225	5.63	4.03	-	-	-
Fontera HQ	-	-	-	600	0.01	0.01	-	-	-
BMW	-	-	-	-	-	-	161,474	2.30	2.33
Axis PDI Centre	58,009	0.83	5.19	-	-	-	-	-	-
Axis Shah Alam DC 1	110,406	1.57	1.04	-	-	-	-	-	-
FCI	136,619	1.95	0.99	-	-	-	-	-	-
Delfi	130,743	1.86	0.95	-	-	-	-	-	-
Axis Shah Alam DC 3	-	-	-	362,167	5.16	4.42	-	-	-
	<b>903,977</b>	<b>12.89</b>	<b>15.27</b>	<b>1,769,935</b>	<b>25.23</b>	<b>26.92</b>	<b>1,134,367</b>	<b>16.17</b>	<b>17.89</b>

# Positive Rent Reversions

Space Renegotiated		
Properties	Space Renegotiated (sq. ft.)	% Rent Movement
Crystal Plaza	3,407	0.00%
Axis Business Park	14,163	12.96%
Axis Shah Alam DC 1	110,406	15.38%
Wisma Kemajuan	38,246	10.30%
Axis Eureka	160	0.22%
Axis Technology Centre	57,817	8.05%
Seberang Prai Logistic Warehouse 3	64,500	0.00%
Quattro West	10,991	7.50%
Wisma Academy Parcel	58,780	8.13%
FCI Senai	136,619	12.00%

## Income Growth – Leasing Profile

- ✓ Successfully renegotiated 495,089 sq. ft. space out of 903,977 sq. ft. space due for renewal in 2015, representing 54.77% tenant retention.
- ✓ Rental growth of 549,156 sq. ft. space achieved from pre-negotiated rent step up in the leases.
- ✓ The leases in the portfolio achieved positive rent reversion of 7.83% in Q2 2015.
- ✓ The Manager also secured new tenancies for 56,897 sq. ft. space.



## Weighted Average Lease Expiry (“WALE”)

The “WALE” for the portfolio is:

By Year	Q2 2015	Q1 2015
By NLA	4.27	4.33
By Rental	4.25	4.28

# Portfolio Efficiency (“PE”)

The Efficiency Ratio =

Operating Cost for the Portfolio / Gross Property Income

Q2 2015	Q1 2015
14.60%	14.90%

## Top 10 Tenants – Strong Rental Covenants

1. Konsortium Logistik Berhad
2. LF Logistics Services (M) Sdn Bhd
3. Yongnam Engineering Sdn Bhd
4. Schenker Logistics (M) Sdn Bhd
5. Tenaga Nasional Berhad
6. Tesco Stores (M) Sdn Bhd
7. Strateq Data Center Sdn Bhd
8. DHL Properties (M) Sdn Bhd
9. Nippon Express (M) Sdn Bhd
10. SR Technics Malaysia Sdn Bhd

The top ten tenants account for 54% of the total revenue of the Trust.