

Type: Announcement

**Subject: Axis Real Estate Investment Trust (“Axis-REIT” or the “Fund”)
Valuation of Investment Properties**

1. Introduction

The Board of Directors of Axis REIT Managers Berhad, the management company of Axis-REIT (“Manager”) wishes to announce that RHB Trustees Berhad, the trustee of Axis-REIT, has carried out a valuation on each of the following investment properties of Axis-REIT (collectively referred to as “Properties”) in accordance with the purpose stated in section 2 below (hereinafter referred to as “Valuation”):

- 1) Axis Shah Alam Dc 1
- 2) Menara Axis
- 3) Axis Business Park
- 4) Quattro West
- 5) Infinite Centre
- 6) Axis Business Campus
- 7) Pasir Gudang Logistic Warehouse 1 (formerly known as Delfi Warehouse)
- 8) Wisma Academy Parcel
- 9) Giant Hypermarket
- 10) FCI Senai
- 11) Strateq Data Centre
- 12) Scomi Facility @ Rawang
- 13) Seberang Prai Logistic Warehouse 1
- 14) Seberang Prai Logistic Warehouse 2
- 15) Emerson Industrial Facility Nilai
- 16) Niro Warehouse
- 17) Axis Steel Centre
- 18) D21 Logistics Warehouse (formerly known as BMW Centre PTP)
- 19) Fonterra HQ
- 20) D8 Logistics Warehouse
- 21) Beyonics I-Park Campus Block A
- 22) Beyonics I-Park Campus Block B
- 23) Beyonics I-Park Campus Block C
- 24) Beyonics I-Park Campus Block D
- 25) Kerry Warehouse
- 26) The Annex
- 27) Bukit Raja Distribution Centre
- 28) Axis Technology Centre

- 29) Tesco Bukit Indah
- 30) Crystal Plaza
- 31) Wisma Kemajuan
- 32) Axis Mega Distribution Centre (formerly known as Axis PDI Centre)
- 33) Wasco Facility @ Kuantan

2. Purpose of the Valuation

Wasco Facility @ Kuantan was valued to comply with Clause 10.02 of the Guidelines on Real Estate Investment Trusts (“REIT Guidelines”) issued by the Securities Commission Malaysia (“SC”) for acquisition purposes. The acquisition of Wasco Facility @ Kuantan was completed on 5 December 2017.

Wisma Kemajuan and D21 Logistics Warehouse (formerly known as BMW Centre PTP) were revalued to comply with Clause 10.03 of the SC’s REIT Guidelines where such properties are required to be revalued once in every three (3) years.

The remaining thirty (30) properties were revalued to ascertain their current market value for accounting purposes in line with the Malaysian Financial Reporting Standard (“MFRS”) 140.

Under the fair value model of MFRS 140, the fair value of the investment property shall reflect market conditions as at the date of the financial position (i.e. the investment property is revalued every year). As Axis-REIT has adopted the fair value model stipulated in MFRS 140, Axis-REIT will be required to conduct an annual revaluation on all its real estate properties.

The Valuation carried out on all the above properties in accordance with the purposes as hereinabove mentioned was not subject to the approval of the SC. The valuation reports in respect of Wasco Facility @ Kuantan had been deposited with the SC and the valuation reports of the remaining properties shall be deposited with the SC together with the annual report of Axis-REIT to be issued in due course in accordance with the SC’s REIT Guidelines.

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3. Valuation Surplus/(Deficit)

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

	Name of Property	Valuation Date	Carrying Value as at 31 December 2017 (RM'000)	Open Market Value (RM'000)	Surplus / (deficit) to be incorporated (RM'000)
1	Axis Shah Alam DC 1 ###	07/12/2017	32,324	31,500	(824)
2	Menara Axis **	07/12/2017	124,484	123,600	(884)
3	Axis Business Park ***	05/12/2017	121,356	120,000	(1,356)
4	Quattro West *	05/12/2017	57,050	55,800	(1,250)
5	Infinite Centre *	04/12/2017	43,150	42,000	(1,150)
6	Axis Business Campus ^^^	07/12/2017	74,808	73,700	(1,108)
7	Pasir Gudang Logistic Warehouse 1 #(formerly known as Delfi Warehouse)	06/12/2017	16,728	16,000	(728)
8	Wisma Academy Parcel **	04/12/2017	75,500	72,600	(2,900)
9	Giant Hypermarket ^	06/12/2017	46,000	46,000	-
10	FCI Senai ###	02/12/2017	20,000	20,000	-
11	Strateq Data Centre ###	29/11/2017	57,000	57,000	-
12	Scomi Facility @ Rawang **	04/12/2017	43,000	44,000	1,000
13	Seberang Prai Logistic Warehouse 1 ***	05/12/2017	20,500	20,500	-
14	Seberang Prai Logistic Warehouse 2 ***	05/12/2017	8,200	8,200	-
15	Emerson Industrial Facility Nilai *	29/11/2017	30,500	30,500	-
16	Niro Warehouse #	05/12/2017	19,000	19,000	-
17	Axis Steel Centre #	12/12/2017	70,575	70,500	(75)
18	D21 Logistics Warehouse ^^ (formerly known as BMW Centre PTP)	28/12/2017	30,630	29,000	(1,630)
19	Fonterra HQ ***	13/12/2017	16,641	16,700	59
20	D8 Logistics Warehouse #	04/12/2017	32,940	33,000	60
21	Beyonics I-Park Campus Block A *	30/11/2017	14,600	14,700	100
22	Beyonics I-Park Campus Block B *	30/11/2017	13,300	13,400	100

	Name of Property	Valuation Date	Carrying Value as at 31 December 2017 (RM'000)	Open Market Value (RM'000)	Surplus / (deficit) to be incorporated (RM'000)
23	Beyonics I-Park Campus Block D *	30/11/2017	22,700	22,800	100
24	Beyonics I-Park Campus Block C *	30/11/2017	12,100	12,200	100
25	Kerry Warehouse **	29/11/2017	33,633	34,000	367
26	The Annex **	27/11/2017	19,030	19,600	570
27	Bukit Raja Distribution Centre *	30/11/2017	102,397	103,000	603
28	Axis Technology Centre ##	11/12/2017	54,125	54,900	775
29	Tesco Bukit Indah *	29/11/2017	96,000	97,000	1,000
30	Crystal Plaza *	05/12/2017	111,189	112,000	811
31	Wisma Kemajuan ##	20/11/2017	64,231	64,100	(131)
32	Axis Mega Distribution Centre *(formerly known as Axis PDI Centre)	29/12/2017	232,058	261,000	28,942
33	Wasco Facility @ Kuantan ***	04/05/2017	122,027	120,000	(2,027)
	Total		1,837,776	1,858,300	20,524

Notes:

- * The Properties were valued by Savills (Malaysia) Sdn. Bhd., an independent firm of professional valuers
- ** The Properties were valued by PA International Property Consultants (KL) Sdn. Bhd., an independent firm of professional valuers
- *** The Properties were valued by Rahim & Co Chartered Surveyors Sdn. Bhd., an independent firm of professional valuers
- # The Properties were valued by CH Williams Talhar & Wong Sdn. Bhd., an independent firm of professional valuers
- ## The Properties were valued by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers
- ### The Properties were valued by KGV International Property Consultants (M) Sdn. Bhd., an independent firm of professional valuers
- ^ The Property was valued by Henry Butcher Malaysia (Penang) Sdn. Bhd., an independent firm of professional valuers
- ^^ The Property was valued by PPC International Sdn Bhd., an independent firm of professional valuers
- ^^^ The Property was valued by W. M. Malik & Kamaruzaman, an independent firm of professional valuers

4. Effects on the Net Asset Value

The Valuation resulted in an increase of 1.12% above the unaudited carrying value of the abovementioned Properties of RM1,837,776 as at 31 December 2017 (before Valuation). Based on the unaudited results as at 31 December 2017 (before Valuation), the finalised unaudited net asset value per unit of RM1.2745 will increase to RM1.2912 upon incorporation of the Valuation surplus of RM20,524,000 into the Fund's accounts as at 31 December 2017.

5. Documents Available For Inspection

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

- 5.1 registered office of the Manager at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur; and
- 5.2 Manager's office at Penthouse, Menara Axis, No. 2, Jalan 51A/223, 46100 Petaling Jaya, Selangor Darul Ehsan

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 23 January 2018.