

2Q2018 PROPERTY REPORT



Overview

As at 30 June 2018 the occupancy rate of Axis REIT's portfolio stands at 94% with stable weighted average lease expiry period of 5.5 years (based on rental). The Manager achieved positive rental reversion of 5% for YTD 30 June 2018.

With the acquisition of Axis Shah Alam Distribution Centre 4 and lease commencement of Nestle Distribution Centre in Phase 1 of Axis Mega Distribution Centre in 2Q2018, 768,343 sq. ft. of space was added to the portfolio, bringing space under management to 8,856,124 sq. ft. In this quarter, we are pleased to announce that these 2 properties will be contributing additional rentals of RM2.1 million monthly effective June 2018.

Notwithstanding the continuous challenging economic environment, the Manager is delighted to report that 1,392,306 sq. ft. of space was secured through new tenancies and tenancy renewals.

Out of the 1,363,927 sq. ft. of space due for renewal in 2018, we have renewed 61.6% of space in the first half of 2018. Our leasing team is committed and actively working hard to secure new tenants. By filling the vacant space we expect to add as much as 1.1 sen to the annual DPU.

We witness positive growth in the industrial sector driven by demand for warehousing and fulfillment centres from e-commerce activities. Taking advantage of this situation, the Manager plans to embark on the development of Phase 2 of Axis Mega DC this year with approximately 500,000 sq. ft. of warehousing space. The development of Axis Aerotech Centre @ Subang, our second built-to-lease project, is in progress and scheduled to complete by end 2018.

Key Portfolio Metrics

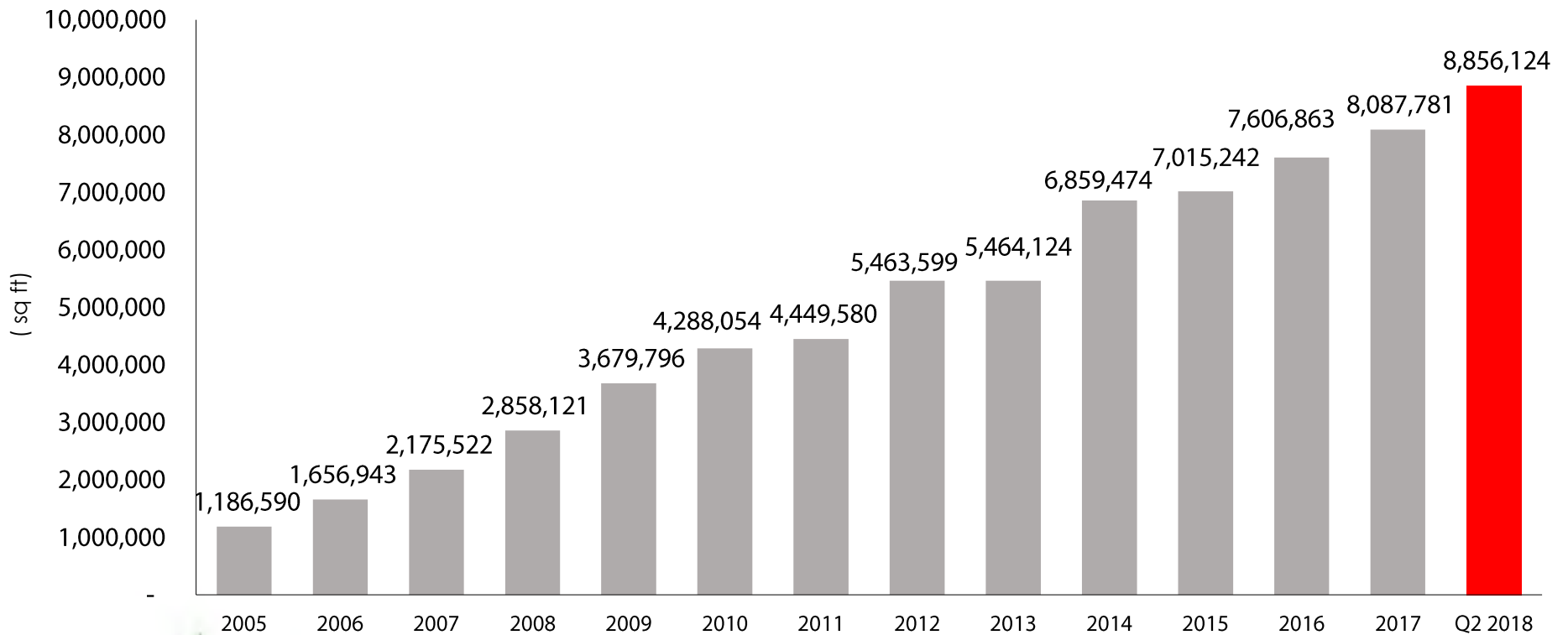
As at 30 June 2018, the portfolio has 42 assets comprising 8,856,124 sq. ft. and 148 tenants.

	2Q2018	1Q2018	Movement
No. of Properties	42	41	+1
Property Income (RM'000)	47,265	44,948	+5.15%
Property Expenses (RM'000)	7,285	6,798	+7.16%
Net Property Income (RM'000)	39,980	38,150	+4.80%
Occupancy	93.85%	93.56%	+0.29%

Portfolio Efficiency Ratio = YTD Property Expenses / YTD Property Income

YTD 2018	2017	2016	2015
15.27%	15.80%	16.23%	14.56%

Space Under Management



Portfolio Occupancy Rate

As at 30 June 2018, only 10 out of 42 properties carry vacancy, while one is undergoing development.

31 properties enjoy 100% occupancy.

Occupancy

As at 30 June 2018

Vacancy

As at 30 June 2018

Space available

Occupancy

Multi-tenants properties

Single tenant properties

Unbilled space income

Potential annual DPU upside

94%

6%

544,440 sq. ft.

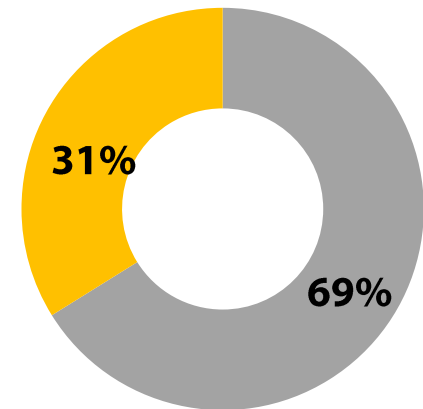
80%

100%

RM13.72 million per year

1.1 sen per unit/year

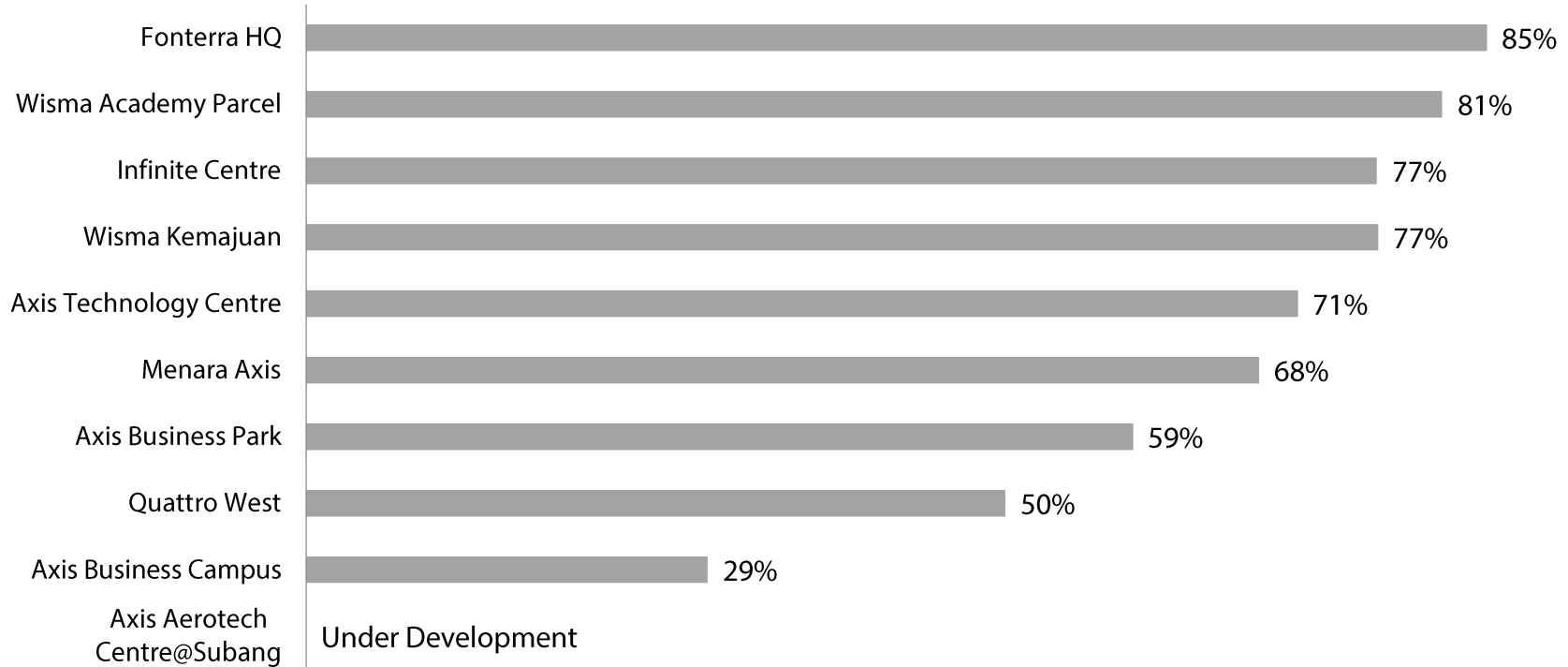
Single Tenant vs Multi-Tenants



■ Single Tenant ■ Multi Tenants

Properties Below 90% Occupancy

Occupancy rates of properties below 90% as at 30 June 2018

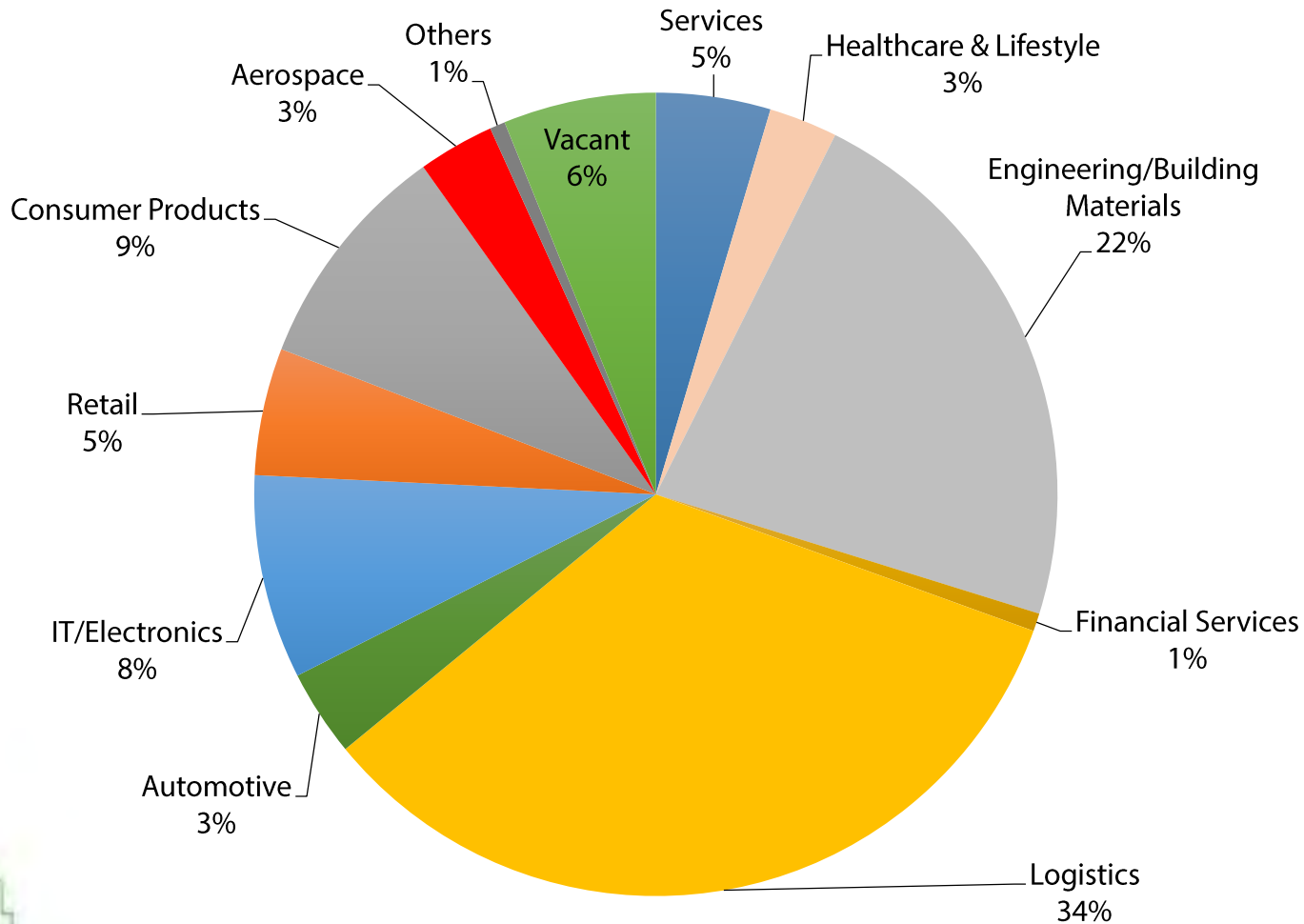


Note:

1. Occupancy rate for Axis Business Campus will improve to 62% in 3Q2018.
2. Vacant space in Fonterra HQ is built for their future expansion.

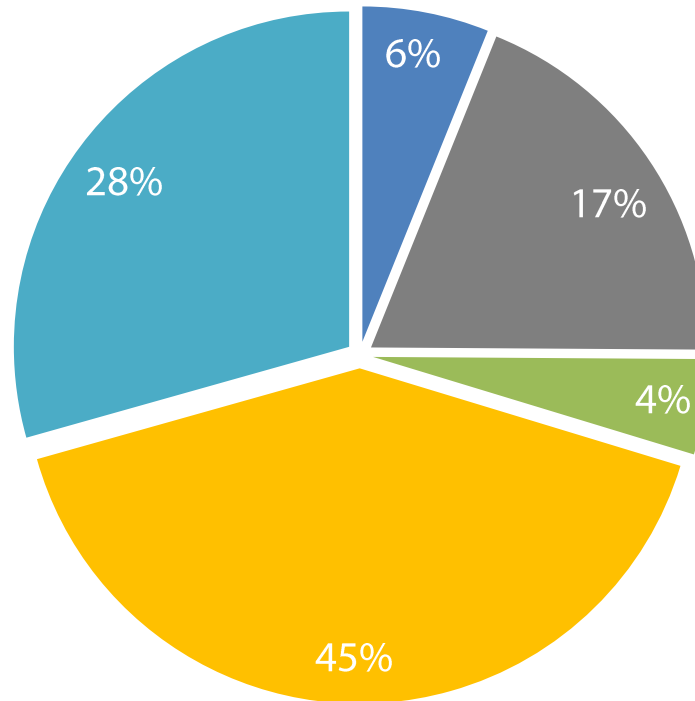
Diversified Portfolio

NLA by Industry Sector



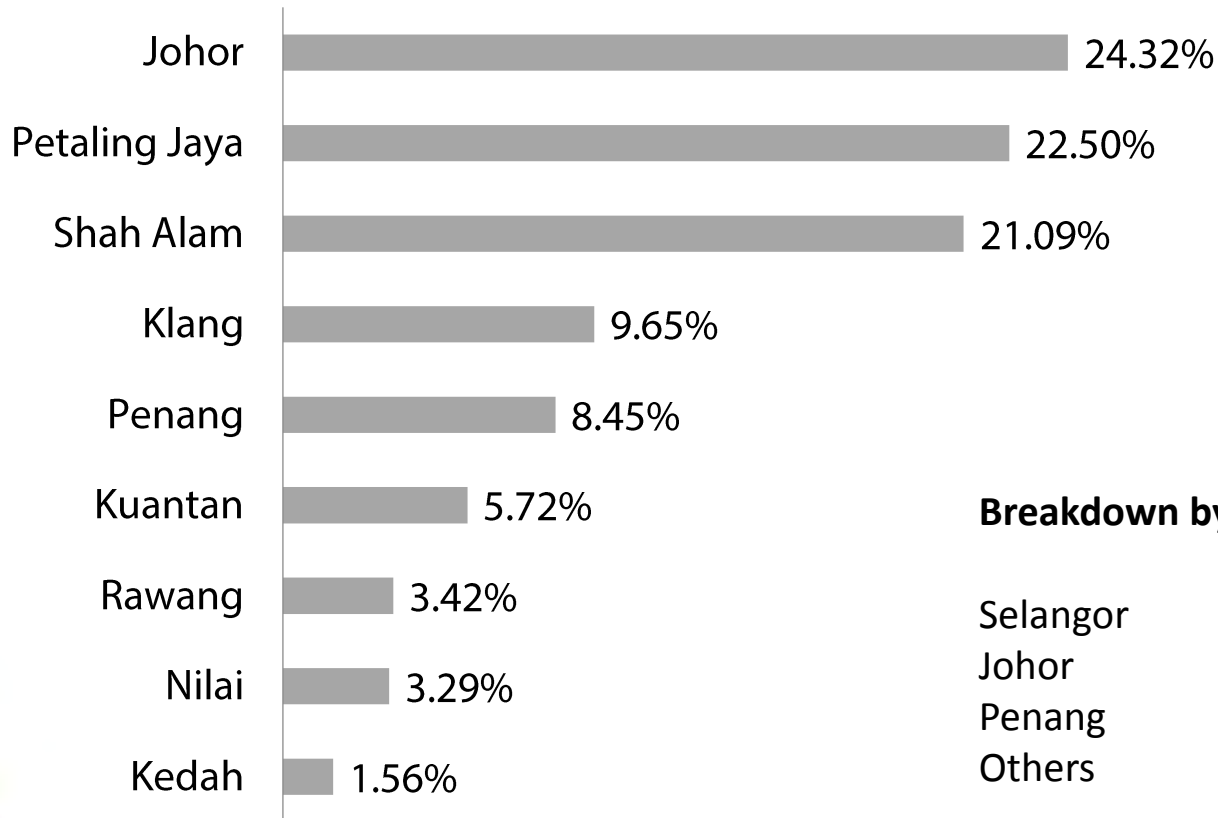
Diversified Portfolio

Portfolio Diversification by Type and NLA



- Office
- Office/ Industrial
- Hypermarkets
- Warehouse Logistic
- Manufacturing Facilities - Light Industrial

Portfolio Diversification by Geographical Location



Breakdown by State

Selangor	56.66%
Johor	24.32%
Penang	8.45%
Others	10.57%

Lease Expiry Profile

Property	Year	% of	% of	Year	% of	% of	Year	% of	% of
	2018	Total NLA	Rental Income/month	2019	Total NLA	Rental Income/month	2020	Total NLA	Rental Income/month
Petaling Jaya	398,398	4.50	7.25	508,549	5.74	11.61	458,582	5.18	8.55
Klang	-	-	-	-	-	-	339,194	3.83	3.07
Shah Alam	527,167	5.95	5.21	526,567	5.95	5.20	322,915	3.65	3.70
Johor	438,362	4.95	3.77	171,000	1.93	1.95	167,193	1.89	0.99
Nilai	-	-	-	291,642	3.29	1.53	-	-	-
Penang	-	-	-	395,225	4.46	3.52	205,151	2.31	2.84
TOTAL	1,363,927	15.40	16.23	1,892,983	21.37	23.81	1,493,035	16.86	19.15
Property	Year	% of	% of	Year	% of	% of	Year	% of	% of
	2018	Total NLA	Rental Income/month	2019	Total NLA	Rental Income/month	2020	Total NLA	Rental Income/month
Office	87,631	1.00	2.36	190,499	2.15	6.36	109,039	1.23	2.83
Office Industrial	311,367	3.51	4.90	318,050	3.59	5.25	349,543	3.95	5.72
Warehouse Logistics	828,310	9.35	7.98	1,092,792	12.34	10.67	1,034,453	11.68	10.60
Manufacturing Facilities	136,619	1.54	0.99	291,642	3.29	1.53	-	-	-
TOTAL	1,363,927	15.40	16.23	1,892,983	21.37	23.81	1,493,035	16.86	19.15

Top 10 Tenants

1. Nestle Products Sdn Bhd
2. LF Logistics Services (M) Sdn Bhd
3. Yongnam Engineering Sdn Bhd
4. Wasco Coatings Malaysia Sdn Bhd
5. Tenaga Nasional Berhad
6. Tesco Stores (Malaysia) Sdn. Bhd.
7. POS Logistics Berhad
8. Schenker Logistics (Malaysia) Sdn Bhd
9. Teraju Sinar Sdn Bhd
10. Northport (Malaysia) Berhad

YTD top ten tenants account for 53% of the total revenue of the Trust.

2Q2018 PROPERTY DEVELOPMENT REPORT



Axis Aerotech Centre @ Subang Aerotech Park



Axis Aerotech Centre @ Subang Aerotech Park

NOW



04 08 2018

Axis Aerotech Centre @ Subang Aerotech Park

a) Details of purchase of the sub-lease of land from MAHB

Size	:	7.02 acres
Purchase price	:	RM19,876,428 (based on RM65 psf)
Tenure	:	49 years, expiring 31 December 2066

b) Details of lease agreement with Upeca

Net Lettable Area	:	178,978.60 sq. ft. on 7.02 acres land
Estimated Construction Cost	:	RM46,800,000 (capped)
Net Yield	:	Starting at 7% net yield
Tenure	:	20 years with options of 2 terms of 6 years
Rent Step-up	:	Approximately 10% every 3 years
Handover Date	:	15 December 2018

2Q2018 INVESTMENTS REPORT



Completed Acquisitions



Axis Shah Alam Distribution Centre 4 - Seksyen 28, Shah Alam, Selangor

Completion Date	:	4 June 2018
Land Area	:	Approx. 10.11 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM87 million
Starting Net Property Yield	:	7.0%
WALE	:	6 years

Ongoing Acquisitions



Manufacturing Facilities – Indahpura, Johor

Target Completion Date	:	2H2018
Land Area	:	Approx. 5.8 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM38.7 million
Starting Net Property Yield	:	6.8%
WALE (Average)	:	Approx. 7 years

Ongoing Acquisitions



Manufacturing Facility – Senawang, Negeri Sembilan

Target Completion Date	:	2H2018
Land Area	:	Approx. 4.21 acres
Land Tenure	:	Freehold
Occupancy	:	100%
Purchase Price	:	RM18.5 million
WALE	:	Approx. 8 years

Prospective Acquisition Targets

The Manager continues to aggressively source and evaluate potential acquisition targets that are deemed investable by Axis-REIT. The selection of properties will continue to focus on:

- Grade A logistics facilities and manufacturing facilities with long leases from tenants with strong covenants;
- Well-located retail warehousing in locations ideal for last-mile distribution; and
- Office, business parks and industrial properties with potential for future enhancement.

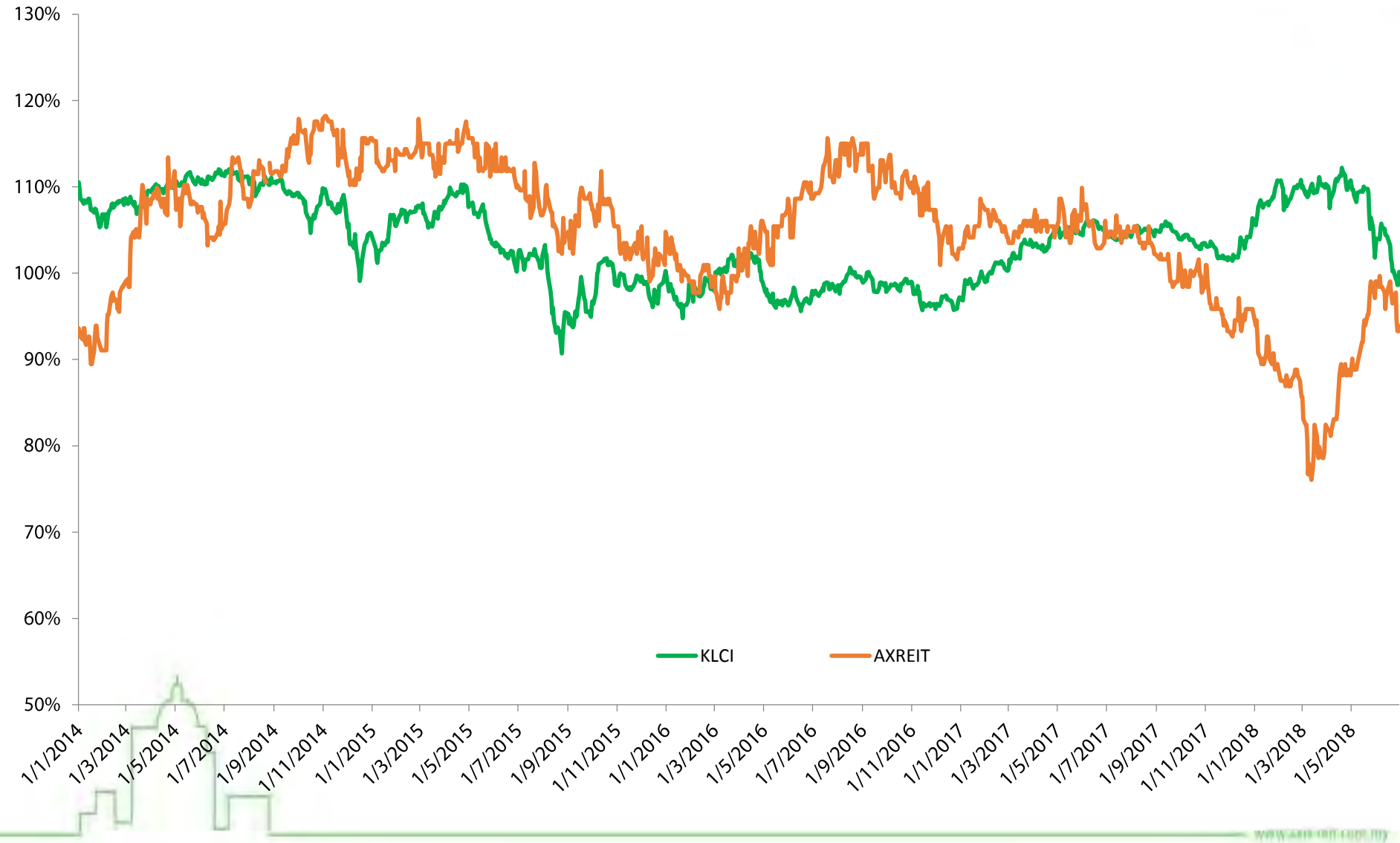
Total Estimated Value of Acquisition Targets
RM 190 million

2Q2018 INVESTOR RELATIONS REPORT



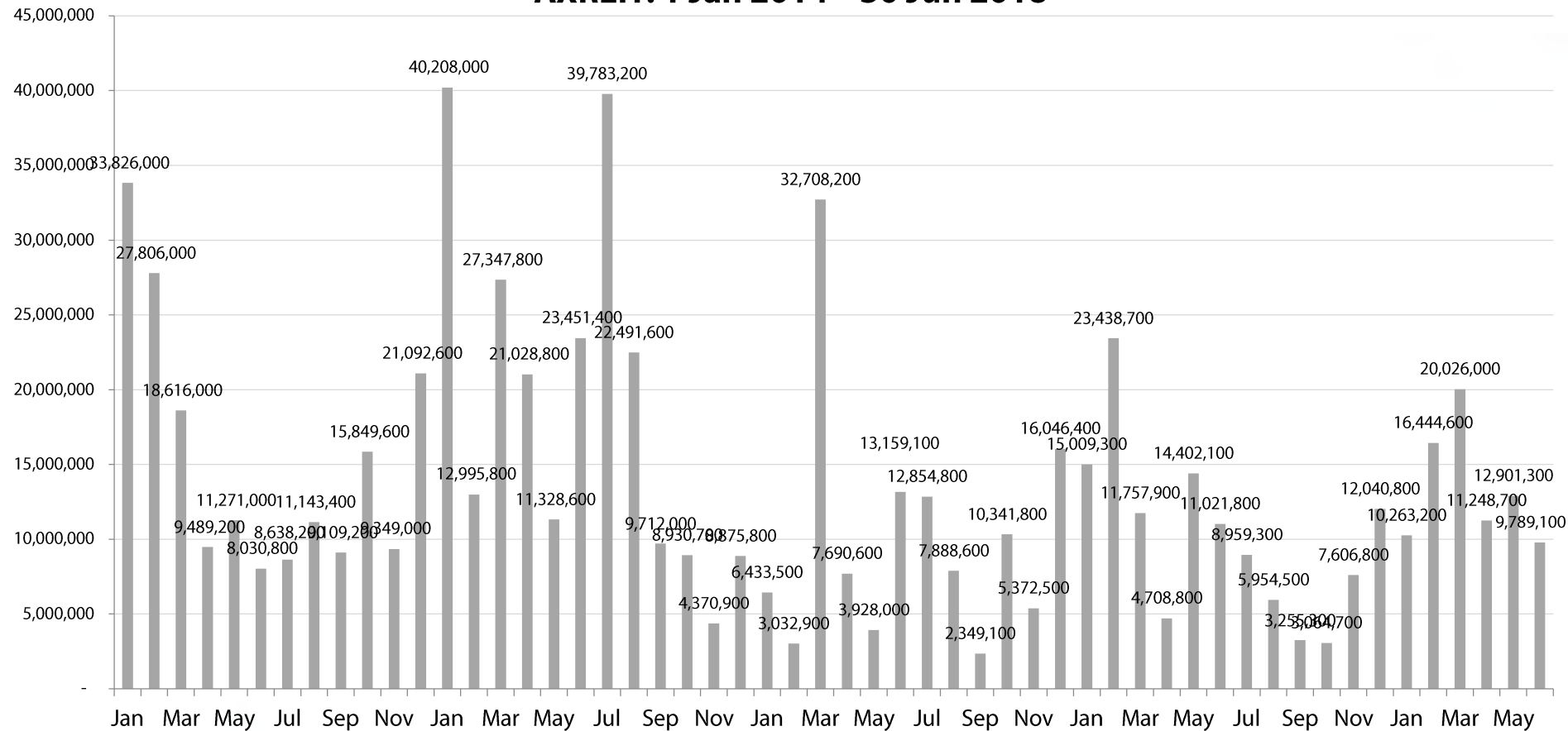
Unit Price Performance

KLCI vs AXREIT: 1 Jan 2014 – 30 Jun 2018



Volume Movement

AXREIT: 1 Jan 2014 – 30 Jun 2018



Volume Statistics

Average Monthly Volume 2018 13,445,483

Highest Monthly Volume: Mar 2018 20,026,000

Lowest Monthly Volume: Jun 2018 9,789,100

Top 10 Unitholders

	Name of Unitholder	%
1	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND	11.80%
2	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA	8.11%
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	7.94%
4	LEMBAGA TABUNG HAJI	4.87%
5	TEW PENG HWEE @ TEOH PENG HWEE	4.54%
6	ALEX LEE LAO	4.21%
7	PERMODALAN NASIONAL BERHAD	3.45%
8	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM 1MALAYSIA	2.15%
9	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM BUMIPUTERA 2	2.03%
10	AMANAHRAYA TRUSTEES BERHAD AMANA SAHAM MALAYSIA	1.97%

Holdings Breakdown	Units Held 2Q2018	Units Held 1Q2018	Movement
Top 5 Unitholders	37.28%	36.77%	0.51%
Top 10 Unitholders	51.09%	50.38%	0.71%
Unitholders with >2 million unitholdings	87.74%	88.10%	-0.36%

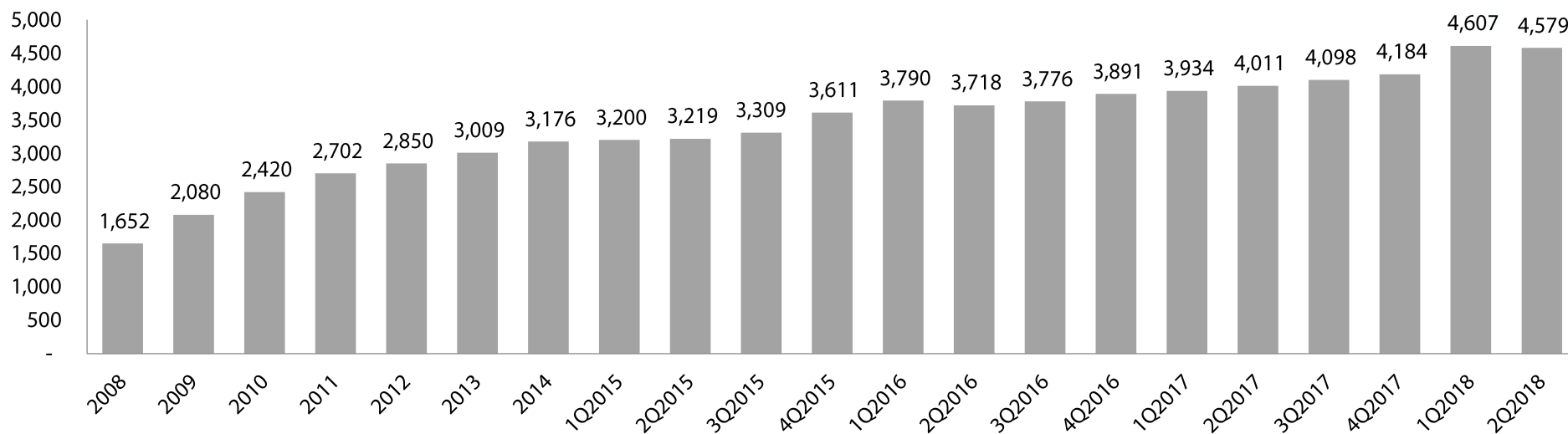
Analysis of Unitholders with >2million Units

Top 5 Increases in Unitholdings	Changes vs Last Quarter
GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 4)	0.7%
EMPLOYEES PROVIDENT FUND	0.6%
HSBC (M) TRUSTEE BHD FOR ZURICH INSURANCE MALAYSIA BERHAD (LIFE PAR)	0.6%
HSBC (M) TRUSTEE BHD FOR AFFIN HWANG AIIAMAN GROWTH FUND (4207)	0.2%
AFFIN HWANG ASSET MANAGEMENT BERHAD FOR HONG LEONG ASSURANCE BERHAD (PAR-220082)	0.2%

Top 5 Decreases in Unitholdings	Changes vs Last Quarter
AMANAH SAHAM WAWASAN 2020	-0.7%
GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (PAR 3)	-0.3%
BNP PARIBAS SECS SVS PARIS FOR REIT ASIEN 1	-0.2%
SIX SIS FOR B&I PAN-ASIAN TOTAL RETURN REAL ESTATE SECURITIES FUND	-0.1%
BPSS LUX FOR B & I CAPITAL AG (LGT SEL REITS)	-0.1%

Investor Visibility & Liquidity

No. of CDS Accounts



	Units Held 2Q2018	Units Held 1Q2018	Movement
Total no. of unitholders	4,579	4,608	-29
Total foreign holdings	10.65%	10.92%	-0.27%
Foreign holdings – related-party	7.24%	7.24%	0%
Foreign holdings – non-related-party	3.41%	3.68%	-0.27%
Promoters	12.62%	12.62%	0%

THANK YOU

