

PRESS RELEASE

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AXIS-REIT ACQUIRES PROPERTY FOR RM65 MILLION

PETALING JAYA, 14 OCTOBER 2019 – Axis Real Estate Investment Trust’s (“Axis-REIT”) trustee, RHB Trustees Berhad has entered into a sale and purchase agreement to acquire a property from Rancak Beta Sdn Bhd for RM65 million. The property is located within the Port of Tanjung Pelepas’ (“PTP”) free trade zone, approximately 18 kilometres from Johor Bahru.

The property comprises of a single storey warehouse and a three-storey office building sitting on a leasehold land measuring 8.177 acres, sub-leased from Pelabuhan Tanjung Pelepas Sdn Bhd. The property is currently being leased by Schenker Logistics (Malaysia) Sdn Bhd (“SL”). SL is a one-stop-logistics provider offering total integrated logistics services to local, regional and global customers and is also one of Axis-REIT’s existing top ten tenant in the portfolio in terms of revenue contribution. The current lease is for a period of 10 years from 1 May 2018 with the option to renew for an additional 5 years. The rental for the first five years of the lease term will be RM4.81 million per annum and will increase to RM5.35 million per annum for the subsequent five years, subject to the terms of the lease.

The proposed acquisition will be funded through debt financing, which will increase Axis-REIT’s gearing ratio to 38.7% of its audited total assets as at 31 December 2018. The deal is expected to be completed within 1st half of financial year 2020.

The property is valued at RM65 million based on the valuation by First Pacific Valuers Property Consultants Sdn Bhd on 30 September 2019.

Commenting on the proposed acquisition, Axis REIT Managers Berhad Chief Executive Officer/ Executive Director Leong Kit May says, “The property is ideally located within the PTP and its proximity to the Senai International Airport will benefit logistics-based businesses. This augurs

well for our tenant. We shall continue to identify quality acquisitions to provide value to our unitholders.”

About Axis Real Estate Investment Trust

Axis Real Estate Investment Trust (“Axis-REIT”), Malaysia’s first real estate investment trust, was listed on Bursa Securities on 3 August 2005. Having been reclassified as an Islamic REIT on 11 December 2008, all acquisitions by Axis-REIT are Shariah compliant. It currently has a diverse portfolio of 47 properties strategically located in the Klang Valley, Johor, Penang, Pahang, Negeri Sembilan and Kedah. Axis REIT Managers Berhad is the Manager of Axis-REIT while RHB Trustees Berhad is the latter’s trustee.

Axis-REIT has a solid industrial space portfolio where 91% of the properties are on industrial titles. As at 30 June 2019, the occupancy rate of Axis-REIT’s portfolio stood at 95% with a weighted average lease expiry period of 6.11 years, based on rental. The space under management is over 9.3 million sq ft and the total asset value amounted to RM2.9 billion.

For more information, please log on to <http://www.axis-reit.com.my>

Issued by Imej Jiwa Communications Sdn Bhd on behalf of Axis-REIT.

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