

News Release

For Immediate Release

Axis-REIT Successfully Leases Land from Malaysia Airports

- Land cost fully paid

7 February 2018, Kuala Lumpur - Axis REIT Managers Berhad, the Manager of Malaysia's largest Islamic Business Space and Industrial Real Estate Investment Trust, as well as Malaysia's first REIT to be listed on Bursa Malaysia Securities Berhad; the Axis Real Estate Investment Trust ("Axis-REIT") is pleased to announce that pursuant to the earlier announcement made on 1 November 2017, Axis-REIT has successfully leased the 7.02 acres land from Malaysia Airports. The full consideration of land cost fully paid today in accordance with the terms and conditions of the Sublease Agreement.

RHB Trustees Berhad, the Trustee of Axis-REIT on behalf of Axis-REIT, had on 1 November 2017, entered into the Sublease Agreement with Malaysia Airports to lease 7.02 acres of vacant land in Subang for RM19,876,428 for a lease tenure of 49 years, expiring on 30 December 2066. Full payment of the land cost was made today and finalised, after fulfilling all terms and conditions.

The land is located within the Malaysia International Aerospace Centre (MIAC) Technology Park, Sultan Abdul Aziz Shah Airport, Subang.

The land lease is part of Axis-REIT's overall organic growth strategy to develop "build to suit" Grade A industrial facilities. The land will be developed for Upeca Aerotech Sdn Bhd ("Upeca"); an industrial facility comprising, a single storey manufacturing plant cum office building with a gross built up area of approximately 178,978.60 sq ft including ancillary buildings and external elements.

This industrial facility will serve the operations for Upeca's manufacturing plant, and office; for the manufacturing, storage and distribution of aerospace parts. The lease with Upeca has a fixed lease rental period of 20 years with two (2) renewal terms of six (6) years each. Upeca is ultimately owned by Senior Plc, listed on the London Stock Exchange. RHB Trustees Berhad, the Trustee of Axis-REIT on behalf of Axis-REIT, entered into a "build & lease" agreement with Upeca on 10 November 2017.

"This is the 2nd "build to suit" project for Axis-REIT, after recently completing its maiden development of 515,000 sf ft distribution warehouse for Nestle Products Sdn Bhd at Axis Mega Distribution Centre", said Leong Kit May, CEO/Executive Director of Axis REIT Managers Berhad.

Ms Leong said that both the developments will further increase the Trust's gross revenue, net property income and income distribution to its Unitholders whilst enlarging the size of its assets under management. Upon the successful lease of the land at Subang, Axis-REIT will start the construction work at site in the first half of 2018, and the industrial facility will be handed over to Upeca by end of 2018.

Ms Leong further said that the total development cost of RM74.16 million (including that of the subleased land) will be fully capitalised.

About Axis-REIT:

Axis-REIT has been formed to own and invest primarily in commercial, office and office/industrial real estate. The primary objectives of the Fund are to provide Unitholders with distribution of income and to achieve long - term growth in the NAV (Net Asset Value) per unit of the Fund.

Listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") of Stock Code: AXREIT, Axis-REIT currently owns a portfolio of (40) commercial, office and office/industrial real estate in Malaysia.

A REIT is a collective investment scheme, where funds from investors are pooled and invested towards a specified goal as set out in the investment objective of the Trust. In addition, a REIT is a Trust that invests (via funds raised from investors) in a portfolio of real estate assets or real estate-related assets.

This real estate generates income from rent collected from tenants, which is then, net of expenses, distributed to investors at regular intervals. A REIT may be listed or unlisted.

On 11 December 2008, Axis-REIT announced the completion of the Proposed Reclassification from a conventional REIT to the world's first Office/Industrial Islamic REIT. Subsequently, the Third Principal Deed for Axis-REIT was registered and lodged with the Securities Commission on 24 December 2013 and 31 December 2013 respectively.

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