

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET (UNAUDITED)

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.03.2009 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2008 RM'000
<u>ASSETS</u>		
Investment Properties	724,641	723,100
Shariah-based deposits placed with licensed banks	300	300
Receivables, deposits and prepayments	3,685	2,752
Cash and cash equivalents	49	65
Tax Recoverable	154	154
TOTAL ASSETS	728,829	726,371
<u>LIABILITIES</u>		
Payables and accruals	30,232	27,930
Revolving credit	220,000	200,000
Bank overdraft	20,327	30,456
Provision for Income Distribution (note 1)	9,980	20,139
	280,539	278,525
NET ASSET VALUE	448,290	447,846
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUND</u>		
Unitholders' capital	323,338	323,338
Undistributed income	124,952	124,508
	448,290	447,846
NUMBER OF UNITS IN CIRCULATION	255,901,000	255,901,000
NET ASSET VALUE PER UNIT (RM)	1.7518	1.7501

(The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being provision for income distribution for the period 1 January 2009 to 31 March 2009.

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENT (UNAUDITED)

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.3.2009 RM'000	Preceding Year Corresponding Quarter 31.3.2008 RM'000	Current Year To date 31.3.2009 RM'000	Preceding Year To date 31.3.2008 RM'000
TOTAL TRUST REVENUE	17,329	14,463	17,329	14,463
Gross rental income	17,329	14,429	17,329	14,429
Less : Assessment	(448)	(398)	(448)	(398)
Quit Rent	(99)	(89)	(99)	(89)
Other Property operating expenditure	(2,158)	(1,748)	(2,158)	(1,748)
Net rental income	14,624	12,194	14,624	12,194
Interest income	-	34	-	34
TOTAL TRUST INCOME	14,624	12,228	14,624	12,228
EXPENDITURE				
Manager's fees	1,135	1,058	1,135	1,058
Trustee's fees	57	53	57	53
Auditors' fees	20	14	20	14
Tax agent's fee	3	3	3	3
Allowance for doubtful debts	241	6	241	6
Administrative Expense	227	225	227	225
Islamic financing cost	367	-	367	-
Conventional interest expenses	2,150	1,836	2,150	1,836
TOTAL TRUST EXPENDITURE	4,200	3,195	4,200	3,195
NET TRUST INCOME	10,424	9,033	10,424	9,033
Change in fair value of investment properties - #	-	-	-	-
INCOME BEFORE TAXATION	10,424	9,033	10,424	9,033
TAXATION	-	-	-	0
INCOME AFTER TAXATION	10,424	9,033	10,424	9,033
PROVISION FOR INCOME DISTRIBUTION	(9,980)	(8,942)	(9,980)	(8,942)
RETAINED EARNINGS	444	91	444	91
EARNINGS PER UNIT (sen)	4.07	3.76	4.07	3.76
DISTRIBUTION PER UNIT (sen)	3.90	3.64	3.90	3.64
INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:				
Realised	10,424	9,033	10,424	9,033
Unrealised - #	-	-	-	-
	10,424	9,033	10,424	9,033

(The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements)

The net appreciation on fair values of investment properties is the surplus of the appraised values over acquisition costs arising from acquisitions completed in the reporting period/ the last valuation value. This is an unrealised gain and is not available for income distribution.

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE

FROM 1 JANUARY 2009 TO 31 MARCH 2009 (UNAUDITED)

	Unitholders' Capital RM'000	<i>Distributable</i> ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2009	323,338	282	124,226	447,846
Operation for the period ended 31 March 2009				
Net income for the period	-	10,424	-	10,424
<i>Increase in net assets resulting from operations</i>	-	10,424	-	10,424
Unitholders' transactions				
Distribution to Unitholders – Provision	-	(9,980)	-	(9,980)
<i>Decrease in net assets resulting from Unitholders' transactions</i>	-	(9,980)	-	(9,980)
Net assets as at 31 March 2009	323,338	726	124,226	448,290

AXIS REAL ESTATE INVESTMENT TRUST

CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D.)

FROM 1 JANUARY 2008 TO 31 MARCH 2008 (UNAUDITED)

	Unitholders' Capital RM'000	Distributable ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2008	234,892	12	99,748	334,652
Operation for the period ended 31 March 2008				
Net income for the period	-	9,033	-	9,033
<i>Increase in net assets resulting from operations</i>	-	9,033	-	9,033
Unitholders' transactions				
Placement of units	90,000	-	-	90,000
Distribution to Unitholders – Provision	-	(8,942)	-	(8,942)
Listing expenses	(1,554)	-	-	(1,554)
<i>Increase/ (Decrease) in net assets resulting from Unitholders' transactions</i>	88,446	(8,942)	-	79,504
Net assets as at 31 March 2008	323,338	103	99,748	423,189

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.)

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT
FOR THE THREE-MONTHS PERIOD ENDED 31 MARCH 2009 (UNAUDITED)

	Current Year To Date 31.03.2009 RM'000	Preceding Year To Date 31.03.2008 RM'000
Operating activities		
Income before taxation	10,424	9,033
Adjustment for :-		
Islamic financing cost	367	-
Conventional interest expense	2,150	1,836
Interest income	-	(34)
Change in fair value of investment properties	-	-
Operating income before working capital changes	<u>12,941</u>	<u>10,835</u>
(Increase)/Decrease in working capital		
Receivables, deposits and prepayments	(933)	(1,231)
Payables and accruals	2,302	1,946
Net cash generated from operating activities	<u>14,310</u>	<u>11,550</u>
Investing activities		
Interest received	-	34
Payment for enhancement of investment properties	(1,541)	(124)
Purchase of investment property	-	(37,438)
Cash used in investing activities	<u>(1,541)</u>	<u>(37,528)</u>
Financing activities		
Islamic financing cost paid	(367)	-
Conventional interest expense paid	(2,150)	(1,836)
(Repayment of)/ Proceeds from financing	20,000	(20,000)
Distribution paid to unitholders	(20,139)	(17,048)
Proceeds from issue of Units	-	90,000
Listing expenses	-	(1,554)
Cash (used in) / generated from financing activities	<u>(2,656)</u>	<u>49,562</u>
Net increase in cash and cash equivalents	10,113	23,584
Cash and cash equivalents at beginning of year	(30,391)	(34,730)
Cash and cash equivalents at end of year	<u>(20,278)</u>	<u>(11,146)</u>
Cash and cash equivalents		
Cash and bank balances	49	83
Bank Overdraft	(20,327)	(11,229)
	<u>(20,278)</u>	<u>(11,146)</u>

(The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.)

AXIS REAL ESTATE INVESTMENT TRUST

Quarterly Unaudited Financial Results for the 1st Quarter ended 31 March 2009

NOTES TO THE QUARTERLY REPORT

A DISCLOSURE REQUIREMENTS AS PER FINANCIAL REPORTING STANDARDS (“FRS”) 134

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with FRS 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of Axis Real Estate Investment Trust (“Axis-REIT”) for year ended 31 December 2008.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2008

The audit report of the financial statements for the preceding year, for the year ended 31 December 2008 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of Axis-REIT are not affected by material seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND EQUITY SECURITIES

There was no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter and year-to-date.

A7. INCOME DISTRIBUTION

During the quarter under review, Axis-REIT paid a final income distribution in respect of the financial year ended 31 December 2008 of 7.87 sen per unit on 27 February 2009, totaling RM 20,139,409. A provision was made to distribute approximately 95.8% of the realised income before tax (unaudited) amounting to RM9,980,139 for the quarter ended 31 March 2009. This translates into 3.90 sen per unit for the quarter under review and includes

a non taxable portion of approximately 0.03 sen per unit derive from utilization of capital allowances.

A8. SEGMENTAL REPORTING

No segment information is prepared as Axis-REIT's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A9. VALUATIONS OF PROPERTY, PLANT AND EQUIPMENT

The investment properties are valued based on valuations performed by independent registered valuers.

A10. MATERIAL EVENTS

There was no material event as at the latest practicable date from the date of this report.

A11. EFFECT OF CHANGES IN THE FUND SIZE OF AXIS-REIT

There were no change in the composition of the fund size of Axis-REIT for the current quarter and the fund size stands at 255,901,000 units.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

There were no contingent liabilities or contingent assets to be disclosed.

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 OF BURSA MALAYSIA SECURITIES BERHAD LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report to unitholders the results for the 1st quarter ended 31 March 2009.

For the quarter ended 31 March 2009, Axis-REIT registered a total revenue of RM17,329,501. Total Expenditure for the quarter under review was RM6,905,841, of which RM 2,705,720 were attributable to property expenses and RM4,200,121 to non property expenses. For the quarter under review, realized income before taxation and available for distribution amounted to RM10,423,660.

Axis-REIT has made provision of RM9,980,139 (approximately to 95.8% of the realized income before tax) for income distribution for the 1st quarter ended 31 March 2009. This leaves an undistributed realized income before taxation of RM443,521.

B2. MATERIAL CHANGES IN INCOME BEFORE TAXATION FOR THE QUARTER AS COMPARED WITH THE IMMEDIATE PRECEDING QUARTER

There were no material changes in the income before taxation for the quarter under review.

B3. PROSPECTS

The Manager is optimistic that in view of the current satisfactory performance of Axis-REIT's existing investment portfolio, it believes that it will be able to maintain its current performance for the coming quarter and the rest of the financial year ending 31 December 2009.

B4. VARIANCES

This is not applicable as no profit forecast or profit guarantee was issued for this financial quarter.

B5. TAXATION

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to unitholder, the total income of the trust for that year of assessment shall be exempted from tax.

Thus, based on the provision of income distribution for the current quarter of approximately 95.8% of the realized income before tax, Axis-REIT should not incur any tax expense for the financial year.

B6. PROFITS ON SALE OF INVESTMENT IN UNQUOTED SECURITIES/ PROPERTIES

There was no disposal of investment in unquoted securities/ properties during the current quarter and financial period to-date.

B7. PARTICULARS OF PURCHASE OR DISPOSAL OF INVESTMENT IN QUOTED SECURITIES

(a)

	Current Quarter RM'000	Year-to-date RM'000
Total purchase of quoted securities	N/A	N/A
Total proceeds from disposal of quoted Securities	N/A	N/A
Total profit from disposal of quoted securities	N/A	N/A

(b)

	RM'000
Total investments at cost/carrying value	N/A
Total investments at book value	N/A
Total investments at market value at end of reporting period	N/A

B8. STATUS OF CORPORATE PROPOSAL

There were no corporate proposals announced but not completed at the latest practicable date from the issuance of this report save for the following:-

(a) Corporate proposal announced on 4 August 2008:

- (i) the proposed placement of up to 120.0 million new Axis-REIT units ("Proposed Placement"); and

- (ii) the proposed increase in fund size of Axis-REIT from 255,901,000 up to a maximum of 375,901,000 units.

(collectively referred to as “Proposals”)

Axis-REIT had submitted to the Securities Commission (“SC”) for an extension of time for Axis-REIT to implement the Proposals and SC had approved a six (6) months extension till 1 September 2009 on 23 February 2009. The Proposals are currently pending implementation.

B9. FINANCING / BORROWINGS AND DEBT SECURITIES

	Current Quarter 31 Mar 2009 (RM' 000)	Preceding Financial Year End 31 Dec. 2008 (RM' 000)
Short term financing / borrowings -Secured	240,327	230,456

B10. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

Axis-REIT has no financial instrument with off balance sheet risks as at the latest practicable date from the date of the issuance of this report that might materially affect the position or business of Axis-REIT.

B11. MATERIAL LITIGATION

There was no pending material litigation as at the latest practicable date from the date of issuance of this report.

B12. INCOME DISTRIBUTION AND EARNINGS PER UNIT

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Axis-REIT's level:

Resident unitholder:

- a) Resident company: Tax flow through; thus no withholding tax
- b) Unitholder other than a resident company: Withholding tax at 10%

Non-resident unitholder

- a) Non-resident company: Withholding tax at 25%
- a) Non-resident institutional investor: Withholding tax at 10%
- a) Non-resident other than company and institutional investors: Withholding tax at 10%

A provisional income distribution for the quarter has been provided in this quarter results.

	Quarter Ended 31.03.2009 RM' 000	Year To Date Ended 31.03.2009 RM' 000
Number of units in issue ('000 units)	255,901	255,901
Net income (RM'000)	10,424	10,424

Net income distribution to unitholders (RM'000)	9,980	9,980
Basic earnings per unit (sen)	4.07	4.07
Diluted earnings per unit (sen)	N/A	N/A
Distribution per unit (DPU) (sen)	3.90*	3.90*

* Provision for income distribution

BY ORDER OF THE BOARD

YEOH CHONG KEAT
REBECCA LEONG SIEW KWAN
Company Secretaries
AXIS REIT MANAGERS BERHAD (649450-W)
(As the Manager of AXIS REAL ESTATE INVESTMENT TRUST)

Kuala Lumpur
20th April 2009