

**AXIS REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.06.2015 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	2,044,682	1,982,587
Equipment	3,445	2,821
<b>Total Non-Current Assets</b>	<b>2,048,127</b>	<b>1,985,408</b>
<b>Current Assets</b>		
Receivables, deposits and prepayments	8,166	10,359
Islamic deposits placed with licensed banks	13,479	80,294
Cash and bank balances	16,903	9,822
<b>Total Current Assets</b>	<b>38,548</b>	<b>100,475</b>
<b>TOTAL ASSETS</b>	<b>2,086,675</b>	<b>2,085,883</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Tenant's deposits	38,366	35,984
Financing	330,686	264,434
<b>Current Liabilities</b>		
Payables and accruals	18,475	39,761
Financing	347,106	419,335
<b>TOTAL LIABILITIES</b>	<b>734,633</b>	<b>759,514</b>
<b><u>FINANCED BY:</u></b>		
<b><u>UNITHOLDERS' FUNDS</u></b>		
Unitholders' capital	1,045,515	1,044,664
Distributable income	21,227	5,555
Non-distributable reserves	285,300	276,150
	<b>1,352,042</b>	<b>1,326,369</b>
<b>TOTAL UNITHOLDERS' FUNDS AND LIABILITIES</b>	<b>2,086,675</b>	<b>2,085,883</b>
<b>NET ASSET VALUE</b>	<b>1,352,042</b>	<b>1,326,369</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<b>547,758,040</b>	<b>547,522,040</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- Before income distribution	<b>2.4683</b>	<b>2.4225</b>
- After income distribution (Note 1)	<b>2.4253</b>	<b>2.4080</b>

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being Net Asset Value Per Unit after reflecting realised income to be distributed as second interim income distribution of 4.30 sen per unit payable on 11 September 2015.

**AXIS REAL ESTATE INVESTMENT TRUST**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED)**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2015	Preceding Year Corresponding Quarter 30.06.2014	Current Year To date 30.06.2015	Preceding Year To date 30.06.2014
	RM'000	RM'000	RM'000	RM'000
<b>TOTAL TRUST REVENUE</b>	<b>41,337</b>	<b>35,085</b>	<b>81,956</b>	<b>70,681</b>
Realised property income	41,210	34,839	81,614	70,251
Unrealised rental income (unbilled lease income receivable) **	1,219	546	2,438	1,175
	42,429	35,385	84,052	71,426
Less : Assessment	(942)	(781)	(1,858)	(1,577)
Quit rent	(255)	(205)	(489)	(413)
Other property operating expenditure	(4,700)	(4,393)	(9,569)	(9,229)
Net property income	36,532	30,006	72,136	60,207
Profit income	127	246	342	430
Net gain on disposal of investment property	-	-	-	1,614
Change in fair value of investment properties	8,192	-	8,702	-
Unbilled lease income receivable **	(1,219)	(546)	(2,438)	(1,175)
Fair value change on derivatives	38	183	(375)	324
Net gain on financial liabilities measured at amortised cost	110	938	823	888
<b>NET PROPERTY AND INVESTMENT INCOME</b>	<b>43,780</b>	<b>30,827</b>	<b>79,190</b>	<b>62,288</b>
Manager's fees	3,362	2,608	6,935	5,175
Trustee's fees	183	137	357	288
Depreciation	97	70	183	138
Auditors' fees	31	28	62	57
Tax agent's fee	5	5	9	9
Allowance for doubtful/bad debts	87	-	134	37
Administrative expense	577	491	1,539	1,116
Islamic financing cost *	7,532	5,603	14,748	11,192
<b>NON-PROPERTY EXPENSES</b>	<b>11,874</b>	<b>8,942</b>	<b>23,967</b>	<b>18,012</b>
<b>NET TRUST INCOME</b>	<b>31,906</b>	<b>21,885</b>	<b>55,223</b>	<b>44,276</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>31,906</b>	<b>21,885</b>	<b>55,223</b>	<b>44,276</b>

**AXIS REAL ESTATE INVESTMENT TRUST**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**(UNAUDITED) CONT'D**

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.06.2015 RM'000	Preceding Year Corresponding Quarter 30.06.2014 RM'000	Current Year To date 30.06.2015 RM'000	Preceding Year To date 30.06.2014 RM'000
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>31,906</b>	<b>21,885</b>	<b>55,223</b>
EARNINGS PER UNIT (sen)	5.82	4.75	10.08	9.60
<b>NET INCOME FOR THE PERIOD IS MADE UP AS FOLLOWS:</b>				
Realised	23,566	20,764	46,073	43,064
Unrealised rental income **	1,219	546	2,438	1,175
Unrealised - change in fair value of investment properties	8,192	-	8,702	-
Unrealised - unbilled lease income receivable **	(1,219)	(546)	(2,438)	(1,175)
Unrealised - Net gain on financial liabilities measured at amortised cost	110	938	823	888
Unrealised - Fair value change on derivatives	38	183	(375)	324
	31,906	21,885	55,223	44,276

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements)

\* Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.

\*\* Recognition of unrealised rental income - unbilled lease income receivable pursuant to requirements of MFRS 117 Leases, to recognize income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the agreement.

**AXIS REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

FROM 1 JANUARY 2014 TO 30 JUNE 2014 (UNAUDITED)

	<b>Total Unitholders' Capital RM'000</b>	<i>Distributable</i> <b>Realised Income RM'000</b>	<i>Non- Distributable</i> <b>Unrealised Income RM'000</b>	<b>Total Unitholders' Funds RM'000</b>
<b>At 1 January 2014</b>	750,966	21,355	256,319	1,028,640
Net income for the period	-	43,064	1,212	44,276
Realisation of unrealised income	-	9,338	(9,338)	-
<i>Total comprehensive income for the Period</i>	-	52,402	(8,126)	44,276
<b>Contributions by and distributions to unitholders</b>				
Issuance of Units under Income				
Distribution Reinvestment Plan	7,875	-	-	7,875
Distribution to Unitholders	-	(46,125)	-	(46,125)
Issuing expenses	(31)	-	-	(31)
<i>Total transactions with unitholders</i>	7,844	(46,125)	-	(38,281)
<b>At 30 June 2014</b>	<b>758,810</b>	<b>27,632</b>	<b>248,193</b>	<b>1,034,635</b>

**AXIS REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**

FROM 1 JANUARY 2015 TO 30 JUNE 2015 (UNAUDITED)

	<b>Total Unitholders' Capital RM'000</b>	<i>Distributable</i> <b>Realised Income RM'000</b>	<i>Non- Distributable</i> <b>Unrealised Income RM'000</b>	<b>Total Unitholders' Funds RM'000</b>
<b>At 1 January 2015</b>	1,044,664	5,555	276,150	1,326,369
Net income for the period	-	46,073	9,150	55,223
<i>Total comprehensive income for the Period</i>	-	46,073	9,150	55,223
<b>Contributions by and distributions to unitholders</b>				
Issuance of Units	852	-	-	852
Issuing expenses	(1)	-	-	(1)
Distribution to Unitholders#	-	(30,401)	-	(30,401)
<i>Total transactions with unitholders</i>	851	(30,401)	-	(29,550)
<b>At 30 June 2015</b>	<b>1,045,515</b>	<b>21,227</b>	<b>285,300</b>	<b>1,352,042</b>

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.)

# Includes the payment of the final income distribution for financial year 2014 of 1.45 sen per unit and the first interim income distribution of 4.10 sen per unit for the financial year 2015 which were paid on 27 February 2015 and 29 May 2015, respectively.

**AXIS REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 JUNE 2015 (UNAUDITED)**

	<b>Current Year To Date 30.06.2015 RM'000</b>	<b>Preceding Year To Date 30.06.2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Net income before taxation	55,223	44,276
Adjustments for :-		
Islamic financing cost	14,748	11,192
Profit income	(342)	(430)
Change in fair value of investment properties	(8,702)	-
Net gain on disposal of investment property	-	(1,614)
Depreciation	183	138
Net gain on financial liabilities measured at amortised cost	(823)	(888)
Allowance for doubtful/bad debts	134	37
Fair value change on derivatives	375	(324)
Operating income before changes in working capital	<u>60,796</u>	<u>52,387</u>
<b>Changes in working capital</b>		
Receivables, deposits and prepayments	1,924	(7,394)
Payables and accruals	(18,737)	(4,785)
Tenants' deposits	416	(2,451)
<b>Net cash from operating activities</b>	<u>44,399</u>	<u>37,757</u>
<b>Cash flows from investing activities</b>		
Profit income received	342	430
Enhancement of investment properties	(7,611)	(5,049)
Acquisition of equipment	(807)	(244)
Net proceeds from disposal of investment property	-	30,248
Acquisition of investment property	(45,782)	-
<b>Net cash (used in)/from investing activities</b>	<u>(53,858)</u>	<u>25,385</u>
<b>Cash flows from financing activities</b>		
Islamic financing cost paid	(14,748)	(11,192)
Payment of financing, net	(5,977)	(24,503)
Income distribution paid to unitholders	(30,401)	(46,125)
Proceed from issue of units	852	7,875
Issuing expenses	(1)	(31)
<b>Net cash used in financing activities</b>	<u>(50,275)</u>	<u>(73,976)</u>

**AXIS REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 30 JUNE 2015 (UNAUDITED) (Continued)**

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>To Date</b>	<b>To Date</b>
	<b>30.06.2015</b>	<b>30.06.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Net decrease in cash and cash equivalents	(59,734)	(10,834)
Cash and cash equivalents at beginning of period	89,816	34,523
Cash and cash equivalents at end of period	<u>30,082</u>	<u>23,689</u>
<b>Cash and cash equivalents</b>		
Cash and bank balances	16,903	10,900
Islamic deposits placed with licensed banks	13,479	13,089
	<u>30,382</u>	<u>23,989</u>
Less: Islamic deposits placed with licensed banks - pledged	(300)	(300)
	<u>30,082</u>	<u>23,689</u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2014 and the accompanying explanatory notes attached to the financial statements.)

NOTES TO THE QUARTERLY REPORT

**A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARD (“MFRS”) 134**

**A1. BASIS OF PREPARATION**

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market 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” or “Trust” or “Fund”) for year ended 31 December 2014.

**A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2014**

The audit report of the financial statements of Axis-REIT for the preceding year i.e. the financial year ended 31 December 2014 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 SHARIAH-COMPLIANT EQUITY SECURITIES**

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



A7. INCOME DISTRIBUTION

During the quarter under review, the 2015 first interim income distribution of 4.10 sen per unit, totaling RM22,458,079, in respect of the period from 1 January 2015 to 31 March 2015, was paid on 29 May 2015.

The Manager has proposed to distribute 99.1% from realised income available for distribution generated from operations for the period from 1 April 2015 to 30 June 2015 of 4.30 sen per unit, which includes a non-taxable portion of approximately 0.10 sen per unit derived from capital allowances and tax exempt profit income.

A8. SEGMENTAL REPORTING

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

A9. VALUATIONS OF INVESTMENT PROPERTIES

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 the last annual reporting period except for the following:

- a) The completion of acquisition and leaseback of a parcel of land held under H.S.(D) 293642, PT No. 2233, Section 16, Bandar Shah Alam, District of Petaling, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis Shah Alam DC2" erected thereon from Able Heights (M) Sdn. Bhd., for a purchase consideration of RM45,000,000, on 31 March 2015.
- b) On 22 June 2015, a letter of offer had been duly accepted by Haisan Resources Berhad ("HRB") for the acquisition and leaseback by Axis-REIT of an industrial facility erected on seven (7) parcels of leasehold land all located at Jalan Pelabuhan Utara, Bandar Sultan Suleiman, 42000 Pelabuhan Klang, Selangor from Hai San & Sons Sdn. Bhd. and Hai San Holdings Sdn. Bhd., both wholly-owned subsidiaries of HRB, for a total lump sum cash consideration of RM46,000,000. Due diligence exercise is currently ongoing in finalizing the terms of the transaction.
- c) a letter of offer has been duly accepted to purchase a manufacturing facility located in Indahpura, Johor for a purchase consideration of RM61,000,000. Due diligence exercise is currently ongoing in finalizing the terms of the transaction.

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

There was no change in the composition of the fund size of Axis-REIT for the current quarter under review and the fund size stands at 547,758,040 units.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

## **B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S ("BURSA SECURITIES") MAIN MARKET LISTING REQUIREMENTS**

### **B1. REVIEW OF PERFORMANCE**

Axis REIT Managers Berhad, the management company of Axis-REIT ("Manager") is pleased to report to unitholders the financial results of the second quarter of 2015.

#### Quarter Results

For the quarter ended 30 June 2015, Axis-REIT registered a total revenue of RM41,337,000. The realised net income from operations was RM23,566,000 after deducting total expenditure RM17,771,000 of which RM5,897,000 were attributable to property expenses and RM11,874,000 to non-property expenses.

#### Half Year Results

For the six months period ended 30 June 2015, Axis-REIT recorded a total revenue of RM81,956,000. Total expenditure for the period under review was RM35,883,000, of which RM11,916,000 were attributable to property expenses and RM23,967,000 to non-property expenses.

For the period under review, the total income available for distribution amounted to RM46,423,000. A total of RM22,458,079 was paid out for the first three months ended 31 March 2015 as the 2015 first interim income distribution which translated to 4.10 sen per unit. Axis-REIT has further set aside RM23,554,000 (approximately 99.1% of total income available for distribution in respect of the period from 1 April 2015 to 30 June 2015) as the second interim income distribution which translates to 4.30 sen per unit to be paid on 11 September 2015.

#### Maintenance costs & major capital expenditure

A total of RM7,611,000 has been incurred for enhancement of the properties of Axis-REIT during the financial period ended 30 June 2015.

### **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 and its growth strategy to actively pursue quality acquisitions, it will be able to maintain its current performance for the coming financial year ending 31 December 2015.

### **B4. INVESTMENT OBJECTIVES**

The Manager is pleased to report that since the listing of Axis-REIT, the Trust has been successful in achieving the investment objectives where the Trust has set out to provide the unitholders with a stable income distribution and to achieve growth in net asset value per unit of the Trust by acquiring high quality accretive properties with strong recurring rental income. There was no change in the investment objectives of Axis-REIT as at the date of this report.

B5. STRATEGIES AND POLICIES

There was no change in the strategies and policies employed since the last 2014 Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

There was no change to the total number of properties held by Axis-REIT (34 properties) since the last reporting period.

B7. UTILISATION OF PROCEEDS RAISED FROM ANY ISSUANCE OF NEW UNITS

This is not applicable as there was no issuance of new units by Axis-REIT during the current financial quarter.

B8. TAXATION

Trust Level

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 income distribution for the three months period to date of approximately 99% of the realised income before tax, Axis-REIT should not incur any tax expense for the financial year.

Unitholders' Level

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% |
| b) Non-resident institutional investor:                         | Withholding tax at 10% |
| c) Non-resident other than company and institutional investors: | Withholding tax at 10% |

## B9. STATUS OF CORPORATE PROPOSALS

- a) On 30 April 2013, the unitholders approved, among others, the following at the Unitholders' Meeting of Axis-REIT convened and held on the same date:
- (i) authority to allot and issue up to 2,000,000 new units for the purpose of the payment of management fee to the Manager in the form of new units ("Payment of Management Fee Authority"); and
  - (ii) increase in the existing issued fund size of Axis-REIT by a maximum of 2,000,000 units pursuant to the Payment of Management Fee Authority.

The Payment of Management Fee Authority had been partly implemented with the successful listing of 242,000 new units and 236,000 new units on 28 October 2014 and 28 January 2015, respectively.

Axis-REIT has obtained the approval from Bursa Securities on 27 April 2015 for an extension of time of up to 3 October 2015 to complete the Payment of Management Fee Authority.

- b) On 19 January 2015, the Securities Commission Malaysia ("SC") approved the proposed upsizing of Axis REIT Sukuk Berhad's Islamic Medium Term Notes Programme ("Sukuk Programme") from RM300.0 million in nominal value to RM3.0 billion in nominal value ("Proposed Upsizing"). Subsequently, with the execution of the relevant supplemental documents in connection with the Proposed Upsizing on 10 April 2015, the size of Axis REIT Sukuk Berhad's Sukuk Programme was successfully increased from RM300.0 million in nominal value to RM3.0 billion in nominal value and the tenure of the Sukuk Programme has been extended from a fifteen year programme to a perpetual programme effective 10 April 2015. There is no new issuance under the Sukuk Programme.

Axis REIT Sukuk Berhad is a wholly-owned subsidiary of Axis-REIT.

- c) On 3 March 2015, it was announced that the Board of Directors of the Manager proposed to undertake the following:
- (i) a unit split involving the subdivision of every one (1) existing unit in Axis-REIT ("Existing Unit") held by the entitled unitholders of Axis-REIT on an entitlement date to be determined and announced later, into two (2) units in Axis-REIT ("Subdivided Units") ("Proposed Unit Split");
  - (ii) an increase in the existing approved fund size of Axis-REIT from 547,758,040 Existing Units to 1,095,516,080 Subdivided Units to facilitate the Proposed Unit Split;

B9. STATUS OF CORPORATE PROPOSALS (CONTINUED)

- (iii) the allotment and issuance of up to:
  - (a) 219,103,216 new Subdivided Units if the Proposed Unit Split is implemented, representing up to 20% of the issued fund size of Axis-REIT after the Proposed Unit Split of 1,095,516,080 Subdivided Units; or
  - (b) 109,551,608 new Existing Units if the Proposed Unit Split is not implemented, representing up to 20% of the existing issued fund size of Axis-REIT of 547,758,040 Existing Units,

pursuant to Clause 14.03 of the Guidelines on Real Estate Investment Trusts issued by the SC, to facilitate Axis-REIT in raising funds via a placement exercise (“Proposed Authority”);
- (iv) renewal of the authority to allot and issue up to 155,194,684 new Subdivided Units if the Proposed Unit Split is implemented or up to 77,597,342 new Existing Units if the Proposed Unit Split is not implemented, for the purpose of the income distribution reinvestment plan that provides the unitholders of Axis-REIT with the option to elect to reinvest their income distribution in new units in Axis-REIT (“Proposed Renewal of IDR Authority”); and
- (v) an increase in the fund size of Axis-REIT from:
  - (a) 1,095,516,080 Subdivided Units to a maximum of 1,472,857,980 Subdivided Units if the Proposed Unit Split, Proposed Authority, Proposed Renewal of IDR Authority and Payment of Management Fee Authority are implemented; or
  - (b) 547,758,040 Existing Units to a maximum of 736,428,990 Existing Units if the Proposed Unit Split is not implemented, and the Proposed Authority, Proposed Renewal of IDR Authority and Payment of Management Fee Authority are implemented.

The above proposals have been approved by SC on 30 June 2015 and will be tabled to the Unitholders of Axis-REIT for approval at the forthcoming meeting of unitholders to be convened, upon obtaining Bursa Securities' approval for the same.

B10. FINANCING

	Current Financial Quarter End 30 June 2015 (RM' 000)	Preceding Financial Year End 31 December 2014 (RM' 000)
Short term financing		
- Secured Islamic revolving credit/hire purchase	347,106	419,335
Long term financing		
- Islamic Medium Term Note/hire purchase	330,686	264,434

B11. DERIVATIVES

As at 30 June 2015, the Trust has the following Islamic Profit Rate Swap (“IPRS”) to hedge against the fluctuation of future movement in profit rate on its short term financing. The Trust is currently using the said IPRS to hedge against its other revolving credit financing and the unrealised gain or loss of the derivatives had been recognized in the profit or loss:

	Fair Value 30 June 2015 <u>RM</u>	<u>Maturity</u>
3-year IPRS	26,960	Less than 3 years
3-year IPRS	258,391	Less than 3 years
	<u>285,351</u>	

B12. MATERIAL LITIGATION

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

B13. SOFT COMMISSION RECEIVED

There was no soft commission received by the Manager or its delegates during the quarter under review.

B14. SUMMARY OF DPU, EPU, NAV AND MARKET PRICE

	Current Quarter Ended 30.06.2015 RM' 000	Immediate Preceding Quarter Ended 31.03.2015 RM' 000
Number of units in issue (units)	547,758,040	547,758,040
Earnings per unit (EPU) (realised) (sen)	4.30#	4.11
EPU (include unrealised income) (sen)	5.82#	4.26
Net realised income for the period(RM'000)	23,566	22,507
Distribution per unit (DPU) (sen)	4.30	4.10
Net Asset Value (NAV) (RM'000)	1,352,042	1,342,594
NAV Per Unit (RM)	2.4683	2.4511
Market Value Per Unit (RM)	3.45	3.53

# Based on weighted average of the number of units in issue of 547,722,836. The total number of units issued was increased from 547,522,040 units to 547,758,040 units with the successful issuance of 236,000 new units issued as payment of management fee in units to the Manager on 23 January 2015 and the said units were listed on 28 January 2015.

**B15. RESPONSIBILITY STATEMENT**

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Securities so as to give a true and fair view of the financial position of Axis-REIT as at 30 June 2015 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorized for release by the Board of the Manager on 3 August 2015.

**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

3 August 2015