

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.6.2019 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2018 RM'000
ASSETS		
Non-Current Assets		
Investment properties	2,808,984	2,798,500
Equipment	3,112	3,021
Total Non-Current Assets	2,812,096	2,801,521
Current Assets		
Receivables, deposits and prepayments	28,355	20,928
Islamic deposits placed with licensed banks	30,233	9,700
Cash and bank balances	12,762	8,314
Total Current Assets	71,350	38,942
TOTAL ASSETS	2,883,446	2,840,463
LIABILITIES		
Non-Current Liabilities		
Tenants' deposits	51,931	57,706
Deferred tax liability	4,402	4,402
Financing	569,903	245,867
Total Non-Current Liabilities	626,236	307,975
Current Liabilities		
Payables and accruals	59,270	54,907
Financing	537,607	813,500
Total Current Liabilities	596,877	868,407
TOTAL LIABILITIES	1,223,113	1,176,382
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUNDS</u>		
Unitholders' capital	1,247,069	1,247,069
Distributable income	30,592	32,192
Non-distributable reserves	382,672	384,820
	1,660,333	1,664,081
TOTAL UNITHOLDERS' FUNDS AND LIABILITIES	2,883,446	2,840,463
NET ASSET VALUE	1,660,333	1,664,081
NUMBER OF UNITS IN CIRCULATION	1,237,285,288	1,237,285,288
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	1.3419	1.3449
- After income distribution	1.3183 (Note 1)	1.3204

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 2019 second interim income distribution of 2.36 sen per unit payable on 30 August 2019.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.6.2019 RM'000	Preceding Year Corresponding Quarter 30.6.2018 RM'000	Current Year To date 30.6.2019 RM'000	Preceding Year To date 30.6.2018 RM'000
TOTAL TRUST INCOME *	54,194	47,450	107,963	92,537
Property income	53,760	47,265	107,317	92,213
Unbilled lease income receivable **	1,286	1,245	4,094	2,490
Less : Assessment	(1,083)	(1,042)	(2,178)	(2,084)
Quit rent	(261)	(310)	(570)	(614)
Other property operating expenditure	(5,958)	(5,933)	(12,016)	(11,385)
Net property income	47,744	41,225	96,647	80,620
Profit income	434	185	646	324
Change in fair value of investment properties	-	-	-	7,374
Unbilled lease income receivable **	(1,286)	(1,245)	(4,094)	(2,490)
Fair value change on derivatives	(413)	(179)	(817)	(109)
Net (loss)/gain on financial liabilities measured at amortised cost	525	2,582	(1,333)	2,883
NET PROPERTY AND INVESTMENT INCOME	47,004	42,568	91,049	88,602
Manager's fees	4,148	4,035	8,320	8,027
Trustee's fees	221	214	441	426
Depreciation	140	108	273	215
Auditors' fees	36	30	66	60
Tax agent's fee	4	3	9	7
Provision/(Reversal) of doubtful/bad debts	193	187	(2)	187
Administrative expenses	855	854	1,841	2,176
Islamic financing cost ***	12,360	10,245	24,460	19,182
NON-PROPERTY EXPENSES	17,957	15,676	35,408	30,280
NET INCOME BEFORE TAX	29,047	26,892	55,641	58,322
INCOME TAX EXPENSES	-	(67)	-	(67)
NET INCOME FOR THE YEAR	29,047	26,825	55,641	58,255

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMMULATIVE QUARTER	
	Current Year Quarter 30.6.2019 RM'000	Preceding Year Corresponding Quarter 30.6.2018 RM'000	Current Year To date 30.6.2019 RM'000	Preceding Year To date 30.6.2018 RM'000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	29,047	26,825	55,641	58,255
EARNINGS PER UNIT (EPU) (sen)	2.35	2.18	4.50	4.73
NET INCOME FOR THE YEAR IS MADE UP AS FOLLOWS:				
Realised	28,935	24,422	57,791	48,107
Unrealised - change in fair value of investment properties	-	-	-	7,374
Unrealised - Net (loss)/gain on financial liabilities measured at amortised cost	525	2,582	(1,333)	2,883
Unrealised - Fair value change on derivatives	(413)	(179)	(817)	(109)
	29,047	26,825	55,641	58,255

(The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the financial statements)

- * The total trust income is for performance review purposes comprises property income and profit income. The unbilled lease income receivable is not included in this line as it is not distributable.
- ** Recognition of unbilled lease income receivable pursuant to requirements of MFRS 117, to recognise income from operating lease on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease.
- *** Islamic financing cost is the profit charged by the financier on the Islamic financing facilities taken by Axis-REIT.

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

FROM 1 JANUARY 2018 TO 30 JUNE 2018 (UNAUDITED)

	Total Unitholders' Capital RM'000	<i>Distributable</i> Realised Income RM'000	<i>Non-Distributable</i> Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2018	1,240,253	7,600	343,283	1,591,136
Net income for the period	-	48,107	10,148	58,255
<i>Total comprehensive income for the period</i>	-	48,107	10,148	58,255
Contributions by and distributions to unitholders				
Distribution to Unitholders	-	(35,245)	-	(35,245)
<i>Total transactions with unitholders</i>	-	(35,245)	-	(35,245)
At 30 June 2018	1,240,253	20,462	353,431	1,614,146

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (CONT'D)

FROM 1 JANUARY 2019 TO 30 JUNE 2019 (UNAUDITED)

	Total Unitholders' Capital RM'000	<i>Distributable</i> Realised Income RM'000	<i>Non-Distributable</i> Unrealised Income RM'000	Total Unitholders' Funds RM'000
At 1 January 2019	1,247,069	32,192	384,820	1,664,081
Net income for the period	-	57,791	(2,150)	55,641
<i>Total comprehensive income for the period</i>	-	57,791	(2,150)	55,641
Contributions by and distributions to unitholders				
Distribution to Unitholders #	-	(59,389)	-	(59,389)
<i>Total transactions with unitholders</i>	-	(59,389)	-	(59,389)
At 30 June 2019	1,247,069	30,594	382,670	1,660,333

(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 2018 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of final income distribution for financial year 2018 of 2.45 sen per unit and the first interim income distribution for financial year 2019 of 2.35 sen per unit which were paid on 28 February 2019 and 31 May 2019, respectively.

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 (UNAUDITED)

	Current Year To Date 30.6.2019 RM'000	Preceding Year To Date 30.6.2018 RM'000
Cash flows from operating activities		
Net income before taxation	55,641	58,255
Adjustments for :-		
Islamic financing cost	24,460	19,182
Profit income	(646)	(324)
Change in fair value of investment properties	-	(7,374)
Depreciation of equipment	273	215
Net loss on financial liabilities measured at amortised cost	1,333	(2,883)
(Reversal of)/provision for impairment losses on trade receivables	(2)	187
Fair value change on Islamic derivatives	817	109
Operating income before changes in working capital	81,876	67,367
Changes in working capital		
Receivables, deposits and prepayments	(7,425)	8,095
Payables and accruals	(6,962)	(14,607)
Tenants' deposits	3,400	17,082
Net cash from operating activities	70,889	77,937
Cash flows from investing activities		
Profit income received	646	324
Enhancement of investment properties	(10,484)	(41,628)
Acquisition of investment property	-	(123,901)
Acquisition of equipment	(364)	(150)
Pledged deposits	(11,160)	-
Net cash used in investing activities	(21,362)	(165,355)
Cash flows from financing activities		
Islamic financing cost paid	(24,460)	(19,182)
Proceeds from financing, net	48,143	147,485
Income distribution paid to unitholders	(59,389)	(35,245)
Net cash (used in)/ from financing activities	(35,706)	93,058

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 (UNAUDITED) (CONT'D)

	Current Year	Preceding Year
	To Date	To Date
	30.6.2019	30.6.2018
	RM'000	RM'000
Net decrease in cash and cash equivalents	13,821	5,640
Cash and cash equivalents at beginning of year	9,619	23,037
Cash and cash equivalents at end of year	23,440	28,677
Cash and cash equivalents		
Cash and bank balances	12,762	11,430
Islamic deposits placed with licensed banks	30,233	29,079
	42,995	40,509
Less: Islamic deposits placed with licensed banks - pledged	(19,555)	(11,832)
	23,440	28,677

(The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2018 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 (“Bursa Securities”).

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 2018.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2018

The audit report of the financial statements of Axis-REIT for the preceding financial year ended 31 December 2018 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 were no issuances, cancellation, repurchase, resale and payment of debt and Shariah-compliant equity securities for the current quarter.

A7. INCOME DISTRIBUTION

During the quarter under review, the 2019 first interim income distribution of 2.35 sen per unit, totaling RM29,076,000 in respect of the period from 1 January 2019 to 31 March 2019 was paid on 31 May 2019.

A7. INCOME DISTRIBUTION (CONT'D)

Axis REIT Managers Berhad, the management company of Axis-REIT (“Manager”) has proposed to distribute 99.8% from realised income available for distribution generated from operations for the period from 1 April 2019 to 30 June 2019 as the 2019 second interim income distribution of 2.36 sen per unit, which includes a non-taxable portion of approximately 0.53 sen per unit derived from capital allowances, industrial building allowances and tax-exempt profit income which is not subject to tax.

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) Axis-REIT had on 10 November 2017 entered into an Agreement to Build and Lease with Upeca Aerotech Sdn Bhd (“Upeca”) for the proposed development of a single-storey manufacturing plant cum office building with a gross built-up area of approximately 178,978.60 sq. ft. inclusive of ancillary buildings and external elements (“Axis Aerotech Centre Project”), to be constructed for Upeca and a sub-lease to Upeca for an initial fixed period of 20 years with 2 renewal terms of 6 years each.

The Axis Aerotech Centre Project had been completed and its vacant possession delivered to Upeca on 13 February 2019.

A total of RM69,775,000 has been incurred and paid for the Axis Aerotech Centre Project (including land) as at 30 June 2019.

- b) Axis-REIT had on 15 July 2019 entered into a lease agreement (“Lease Agreement”) with Penang Development Corporation (“PDC”) for the proposed lease of approximately 2.4975 acres of vacant industrial land (“Project Land”) located within Batu Kawan Industrial Park, Penang (“Proposed Land Lease”). The Proposed Land Lease is subject to an exemption approval to be obtained from the Securities Commission Malaysia (“SC”), details of which are disclosed under note B9(d) below.

On the same date, Axis-REIT had also simultaneously entered into a sublease agreement (“Sublease Agreement”) with Federal Express Services (M) Sdn Bhd (“FedEx”) for the proposed development of a single-storey warehouse facility with office space having a gross built-up area of approximately 44,000 sq. ft. inclusive of ancillary buildings and external elements, to be constructed on the Project Land and a sub-lease to FedEx for an initial fixed period of 10 years with option to renew for further 5 years.

- c) A sale and purchase agreement (“SPA”) had been executed on 17 July 2019 for the proposed acquisition by Axis-REIT of an industrial facility located in Bayan Lepas Free Industrial Zone Phase IV, Bayan Lepas, Pulau Pinang for a purchase consideration of RM20,500,000.
- d) Letters of offer had been duly accepted for the proposed acquisitions by Axis-REIT of two industrial facilities located at Nusajaya, Johor for a total proposed purchase consideration of RM55,800,000.

- e) Letters of offer had been duly accepted for the proposed acquisitions by Axis-REIT of two industrial facilities located in Shah Alam, Selangor for a total proposed purchase consideration of RM55,800,000.
- f) A letter of offer had been duly accepted for the proposed acquisition by Axis-REIT of an industrial facility located in Kota Kinabalu, Sabah for a proposed purchase consideration of RM60,000,000.
- g) A bid for a property located in Nilai, Negeri Sembilan, for a proposed purchase consideration of RM50,000,000, had been successful.

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 1,237,285,288 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 SECURITIES MAIN MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

The Manager is pleased to report the following financial results:

Quarter Results

For the quarter ended 30 June 2019 (“2Q2019”), Axis-REIT registered a total trust income of RM54,194,000. The realised net income from operations was RM28,935,000 after deducting total expenditure of RM25,259,000, of which RM7,302,000 were attributable to property expenses and RM17,957,000 to non-property expenses.

The Manager has proposed to distribute 99.8% from realised income available for distribution generated from operations for the second quarter of 2019.

The total net asset value stood at RM1,660,333,000 and the net asset value per unit (before income distribution) was RM1.3419.

Half Year Results

For the six months ended 30 June 2019, Axis-REIT recorded a total revenue of RM107,963,000. The realised net income from operations was RM57,791,000 after deducting total expenditure of RM50,172,000, of which RM14,764,000 were attributable to property expenses and RM35,408,000 to non-property expenses.

A total of RM29,076,000 was paid out for the first three months ended 31 March 2019 as the 2019 first interim income distribution which translated to 2.35 sen per unit. Axis-REIT has further set aside RM29,200,000 (approximately 99.8% of total income available for distribution in respect of the period from 1 April 2019 to 30 June 2019) as the 2019 second interim income distribution which translates to 2.36 sen per unit payable on 30 August 2019.

Maintenance costs & major capital expenditure

During the financial period ended 30 June 2019, a total of RM4,066,000 has been incurred for enhancement of the properties of Axis-REIT and RM6,418,000 has been incurred for the Axis Aerotech Centre Project.

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

	Current Year Quarter 30.6.2019 RM'000	Immediate Preceding Quarter 31.3.2019 RM'000	%
Property income	53,676	53,875	-0.4%
Less : Property expenses	(7,302)	(7,462)	-2.1%
Net property income	46,374	46,413	-0.1%
Profit income	434	212	104.7%
Less: Non-property expenses	(17,957)	(17,451)	2.9%
Net income before revenue from tenancy contracts	28,851	29,174	-1.1%
Revenue from tenancy contracts, net (Note 1)	84	(318)	
Net income before tax (Realised)	28,935	28,856	

Note 1 - Revenue from tenancy contracts amounting to RM485,000 which is non-distributable, had been recognised in 2Q2019, pursuant to the requirements of MFRS117 to recognise revenue on a straight line basis. This amount is offset against the amortisation expense of RM401,000 to which it relates.

For the current quarter ended 30 June 2019, Axis-REIT's property income was RM53,676,000, 0.4% lower compared to the immediate preceding quarter ("1Q2019") of RM53,875,000, mainly due to lower recoverable income in 2Q2019.

During the quarter under review, net income before revenue from tenancy contracts was RM28,851,000, 1.1% lower compared to the immediate preceding quarter of RM29,174,000, mainly due to higher non-property expenses.

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 financial year ending 31 December 2019.

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 2018 Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, the property portfolio size of Axis-REIT remains at 45 properties as at 30 June 2019.

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 unitholders, the total income of the trust for that year of assessment shall be exempted from tax.

Thus, based on the income distribution for the six-month period to date of approximately 100% 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 24% |
| 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) The unitholders of Axis-REIT had at the Unitholders' Meeting convened and held on 30 April 2013, approved the 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 its corresponding increase in fund size of Axis-REIT pursuant to the Payment of Management Fee Authority.

Following the completion of the unit split exercise of Axis-REIT and the partial implementation of the Payment of Management Fee Authority, the number of new units permitted to be issued pursuant to the Payment of Management Fee Authority is up to a maximum of 3,044,000 new units.

Axis-REIT had obtained approval from Bursa Securities on 1 October 2015 for an extension of time to complete the Payment of Management Fee Authority from 4 October 2015 until full issuance of the new units permitted to be issued pursuant to the Payment of Management Fee Authority. There is no issuance pursuant to the Payment of Management Fee Authority during the quarter under review.

- b) The proposed development of Axis Aerotech Centre Project, which was duly announced on 1 November 2017 had been completed and handed over on 13 February 2019. Further details of the Axis Aerotech Centre Project are disclosed under Note A10(a) above.
- c) Axis-REIT had obtained the approval for the proposed renewal of the authority to allot and issue new units in Axis-REIT of up to 20% of the issued fund size of Axis-REIT to facilitate a placement exercise from the unitholders at the 7th annual general meeting of Axis-REIT convened and held on 30 April 2019.
- d) Axis-REIT, vide an announcement dated 15 July 2019, proposed to undertake the following:
- lease of the Project Land from PDC pursuant to the Proposed Land Lease; and
 - construct a single-storey warehouse facility with office space having a gross built-up area of approximately 44,000 sq.ft. inclusive of ancillary buildings and external elements on the Project Land ("Proposed Development") for FedEx and the subsequent sub-lease to FedEx.

The Proposed Land Lease is subject to the approval by the SC for the exemption for Axis-REIT from having to comply with Paragraph 8.10(a) of the Guidelines on Listed Real Estate investment Trusts ("REIT") issued by the SC ("Proposed Exemption") which

stipulates that a REIT may invest in real estate through a lease arrangement, provided that the lease must be registered with the land authority.

As at the date of the Lease Agreement and Sublease Agreement, the title to the Project Land has yet to be alienated by the State Government of Penang.

The application to the SC in respect of the Proposed Exemption had been submitted on 15 July 2019 and SC had vide its letter dated 23 July 2019, approved the Proposed Exemption. Hence, Axis-REIT will commence the Proposed Land Lease and Proposed Development in accordance with the terms of the Lease Agreement and Sublease Agreement respectively.

B10. FINANCING

	Current Financial Period Ended 30 June 2019 <u>(RM'000)</u>	Preceding Financial Year Ended 31 December 2018 <u>(RM'000)</u>
Short term financing		
- Secured Islamic revolving credit/ Islamic Medium Term Note/hire purchase denominated in MYR	537,607	813,500
Long term financing		
- Secured Islamic Medium Term Note/hire purchase denominated in MYR	569,903	245,867

B11. DERIVATIVES

As at 30 June 2019, 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. Axis-REIT is currently using the said IPRS to hedge against its other revolving credit financing and the unrealised gain/(loss) of the derivatives had been recognised in the profit or loss:

	<u>Notional Value</u> <u>RM'000</u>	<u>Fair Value</u> <u>RM'000</u>	<u>Maturity</u>
3-year IPRS – derivative liability	50,000	(110)	Less than 1 years
3-year IPRS – derivative liability	150,000	(999)	Less than 3 years

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 30.6.2019	Immediate Preceding Quarter Ended 31.3.2019
Number of units in issue (units)	1,237,285,288	1,237,285,288
EPU (realised) (sen)	2.34	2.33
EPU (include unrealised income) (sen)	2.35	2.15
Net realised income for the period (RM'000)	28,935	28,856
Distribution per unit (DPU) (sen)	2.36	2.35
Net Asset Value (NAV) (RM'000)	1,660,333	1,660,362
NAV Per Unit (RM)	1.3419	1.3419
Market Value Per Unit (RM)	1.75	1.80

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 2019 and of its financial performance and cash flows for the quarter/period ended on that date and duly authorised for release by the Board of the Manager on 24 July 2019.

BY ORDER OF THE BOARD

REBECCA LEONG SIEW KWAN

Company Secretary

AXIS REIT MANAGERS BERHAD (649450-W)

(As the Manager of AXIS REAL ESTATE INVESTMENT TRUST)

Kuala Lumpur

24 July 2019