

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.09.2014 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2013 RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,572,416	1,543,248
Fixed assets	2,895	2,407
Total Non-Current Assets	1,575,311	1,545,655
Current Assets		
Receivables, deposits and prepayments	37,614	4,045
Islamic deposits placed with licensed banks	25,190	24,206
Cash and cash equivalents	6,679	10,617
	69,483	38,868
Asset classified as held for sale	-	32,000
Total Current Assets	69,483	70,868
TOTAL ASSETS	1,644,794	1,616,523
LIABILITIES		
Non-Current Liabilities		
Tenant's deposits	33,802	24,936
Financing	264,501	263,857
Current Liabilities		
Payables and accruals	11,145	34,943
Financing	285,191	264,147
TOTAL LIABILITIES	594,639	587,883
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUND</u>		
Unitholders' capital	758,810	750,966
Undistributed distributable income	21,949	21,355
Non-distributable reserve	269,396	256,319
	1,050,155	1,028,640
TOTAL UNITHOLDERS' FUND AND LIABILITIES	1,644,794	1,616,523
NET ASSET VALUE	1,050,155	1,028,640
NUMBER OF UNITS IN CIRCULATION	463,700,098	461,239,089
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	2.2647	2.2302
- After income distribution (Note 1)	2.2147	2.1832

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 third interim income distribution of 5.00 sen per unit payable on 28 November 2014.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2014	Preceding Year Corresponding Quarter 30.09.2013	Current Year To date 30.09.2014	Preceding Year To date 30.09.2013
	RM'000	RM'000	RM'000	RM'000
TOTAL TRUST REVENUE	33,121	35,307	103,802	105,787
Realised rental income	33,004	35,192	103,255	105,307
Unrealised rental income (unbilled lease income receivable) **	542	616	1,717	1,759
Gross rental income	33,546	35,808	104,972	107,066
Less : Assessment	(790)	(838)	(2,367)	(2,514)
Quit rent	(205)	(213)	(618)	(639)
Other property operating expenditure	(4,104)	(4,022)	(13,333)	(12,272)
Net rental income	28,447	30,735	88,654	91,641
Profit income	117	115	547	480
Net gain on disposal of investment property#	-	-	1,614	-
Change in fair value of investment properties	20,869	14,637	20,869	17,337
Unbilled lease income receivable **	(542)	(616)	(1,717)	(1,759)
Fair value change on derivative liability	(42)	-	282	-
Net gain on financial liabilities measured at amortised cost	376	709	1,264	1,502
TOTAL TRUST INCOME	49,225	45,580	111,513	109,201
<u>EXPENDITURE</u>				
Manager's fees	2,606	2,486	7,781	7,469
Trustee's fees	138	124	426	387
Depreciation	76	35	214	73
Auditors' fees	29	26	86	79
Tax agent's fee	4	4	13	13
Allowance for doubtful/bad debts	-	(17)	37	(30)
Administrative expense	499	401	1,615	1,338
Islamic financing cost *	5,777	5,855	16,969	17,959
TOTAL TRUST EXPENDITURE	9,129	8,914	27,141	27,288
NET TRUST INCOME	40,096	36,666	84,372	81,913
PROFIT FOR THE PERIOD	40,096	36,666	84,372	81,913

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 30.09.2014	Preceding Year Corresponding Quarter 30.09.2013	Current Year To date 30.09.2014	Preceding Year To date 30.09.2013
	RM'000	RM'000	RM'000	RM'000
OTHER COMPREHENSIVE INCOME NET OF TAX				
Cash flow hedge	-	136	-	407
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	40,096	36,802	84,372	82,320
EARNINGS PER UNIT (sen)	8.65	8.00	18.25	17.90
PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:				
Realised	18,893	21,320	61,957	63,074
Unrealised rental income **	542	616	1,717	1,759
Unrealised - change in fair value of investment properties	20,869	14,637	20,869	17,337
Unrealised - unbilled lease income receivable **	(542)	(616)	(1,717)	(1,759)
Unrealised - Net gain on financial liabilities measured at amortised cost	376	709	1,264	1,502
Unrealised - Fair value change on derivative liability	(42)	-	282	-
	40,096	36,666	84,372	81,913

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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.

The disposal of Axis Plaza completed on 25 March 2014 resulted in a total realised gain on disposal of RM10,952,000 which is available for distribution to the Unitholders comprising the gain on disposal of RM1,614,000 and realisation of unrealised income[^] of RM9,338,000.

[^]realisation of unrealised income – recognition of prior years' unrealised fair value gain on market value of Axis Plaza as realised income upon disposal.

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

FROM 1 JANUARY 2013 TO 30 SEPTEMBER 2013 (UNAUDITED)

	<i>Distributable</i>		<i>Non-Distributable</i>		Total RM'000
	Unitholders' Capital RM'000	Undistributed Realised Income RM'000	Other Unrealised Income RM'000	Hedging Reserve RM'000	
As at 1 January 2013	735,429	25,617	229,565	(906)	989,705
Profit for the period	-	63,074	18,839	-	81,913
Cash flow hedge	-	-	-	407	407
<i>Increase in net asset resulting from operations</i>	-	63,074	18,839	407	82,320
Unitholders' transactions					
Issuance of Units Under Income Distribution Reinvestment Plan	8,240	-	-	-	8,240
Distribution to Unitholders	-	(67,217)	-	-	(67,217)
Issuing expenses	(33)	-	-	-	(33)
<i>Decrease in net assets resulting from Unitholders' transactions</i>	8,207	(67,217)	-	-	(59,010)
Net assets as at 30 September 2013	743,636	21,474	248,404	(499)	1,013,015

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

FROM 1 JANUARY 2014 TO 30 SEPTEMBER 2014 (UNAUDITED)

	<i>Distributable</i>		<i>Non-Distributable</i>		Total RM'000
	Unitholders' Capital RM'000	Undistributed Realised Income RM'000	Other Unrealised Income RM'000	Hedging Reserve RM'000	
As at 1 January 2014	750,966	21,355	256,319	-	1,028,640
Profit for the period	-	61,957	22,415	-	84,372
Realisation of unrealised income	-	9,338	(9,338)	-	-
<i>Increase/(Decrease) in net asset resulting from operations</i>	-	71,295	13,077	-	84,372
Unitholders' transactions					
Issuance of Units under Income Distribution Reinvestment Plan	7,875	-	-	-	7,875
Distribution to Unitholders#	-	(70,701)	-	-	(70,701)
Issuing expenses	(31)	-	-	-	(31)
<i>Decrease in net assets resulting from Unitholders' transactions</i>	7,844	(70,701)	-	-	(62,857)
Net assets as at 30 September 2014	758,810	21,949	269,396	-	1,050,155

(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 2013 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of the final income distribution for financial year 2013 of 4.70 sen per unit which was paid on 28 February 2014, and the first and second interim income distributions amounting to a total of 10.60 sen per unit for the financial year 2014 which were paid on 13 June 2014 and 5 September 2014, respectively.

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 30 SEPTEMBER 2014 (UNAUDITED)

	Current Year To Date 30.09.2014 RM'000	Preceding Year To Date 30.09.2013 RM'000
Operating activities		
Profit before taxation	84,372	81,913
Adjustments for :-		
Islamic financing cost	16,969	17,959
Profit income	(547)	(480)
Change in fair value of investment properties	(20,869)	(17,337)
Net gain on disposal of investment property	(1,614)	-
Depreciation	214	73
Net gain on financial liabilities measured at amortised cost	(1,264)	(1,502)
Allowance for doubtful/bad debts	37	-
Fair value change on derivative liability	(282)	-
Operating income before working capital changes	77,016	80,626
Changes in working capital		
Receivables, deposits and prepayments	(33,640)	20,267
Payables and accruals	(6,275)	(5,531)
Tenants' deposit	(3,711)	5,615
Cash generated from operating activities	33,390	100,977
Tax refunded	-	154
Net cash from operating activities	33,390	101,131
Investing activities		
Profit income received	547	480
Payment for enhancement of investment properties	(8,299)	(22,439)
Purchase of fixed assets	(702)	(1,035)
Net proceeds from disposal of investment property	30,248	-
Net cash from/(used in) investing activities	21,794	(22,994)
Financing activities		
Islamic financing cost paid	(16,969)	(17,959)
Drawdown/(repayment) of financing, net	21,688	(25,473)
Distribution paid to unitholders	(70,701)	(67,217)
Proceed from issue of units	7,875	8,240
Issuance expenses	(31)	(33)
Net cash used in financing activities	(58,138)	(102,442)

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 30 SEPTEMBER 2014 (UNAUDITED) (Continued)

	Current Year	Preceding Year
	To Date	To Date
	30.09.2014	30.09.2013
	RM'000	RM'000
Net decrease in cash and cash equivalents	(2,954)	(24,305)
Cash and cash equivalents at beginning of year	34,523	42,316
Cash and cash equivalents at end of year	31,569	18,011
 Cash and cash equivalents		
Cash and bank balances	6,679	12,709
Islamic deposits placed with licensed banks	25,190	5,602
	31,869	18,311
Islamic deposits placed with licensed banks - pledged	(300)	(300)
	31,569	18,011

(The Condensed Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 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 2013.

A2. AUDIT REPORT OF PRECEDING FINANCIAL YEAR ENDED 31 DECEMBER 2013

The audit report of the financial statements of Axis-REIT for the preceding year i.e. the financial year ended 31 December 2013 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 2014 second interim income distribution of 5.30 sen per unit, totaling RM24,576,106, in respect of the period from 1 April 2014 to 30 June 2014, was paid on 5 September 2014.

The Manager has proposed to distribute 99.6% from realised income available for distribution generated from operations for the third quarter ended 30 September 2014 and the balance gain on disposal of Axis Plaza (final tranche); which together resulted in the 2014 third interim income distribution of 5.00 sen per unit, which includes a non-taxable portion of approximately 0.84 sen per unit derived from the utilisation of gain on disposal of Axis Plaza, 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 this report except for the following:

- a) proposed acquisition of a parcel of land held under H.S.(D) 43148, PT No. 17562, Mukim and District of Klang, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis Shah Alam DC3" erected thereon from Great Avenue (M) Sdn Bhd, for a purchase consideration of RM183,000,000 pursuant to a sale and purchase agreement executed on 4 August 2014, which is subject to the approval from unitholders of Axis-REIT at a unitholders' meeting of Axis-REIT to be convened at a date to be determined later ("Unitholders' Meeting");
- b) proposed acquisition of a parcel of land held under H.S.(D) 22390, PT No. 61, Section 15, Shah Alam, District of Petaling Jaya, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis MRO Hub" erected thereon from Exceptional Landmark Sdn Bhd, for a purchase consideration of RM52,500,000 pursuant to a sale and purchase agreement executed on 4 August 2014, which is subject to the approval from unitholders of Axis-REIT at a Unitholders' Meeting of Axis-REIT;
- c) proposed 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 pursuant to a sale and purchase agreement executed on 4 August 2014, which is subject to the approval from unitholders of Axis-REIT at a Unitholders' Meeting of Axis-REIT;

- d) proposed acquisition and leaseback of an industrial facility built on a parcel of freehold land held under H.S.(D) 458080, PT No. 5755, Mukim of Jelutong, District of Johor Bahru, Johor Darul Takzim from Yongnam Engineering Sdn Bhd, for a purchase consideration of RM153,500,000 pursuant to a sale and purchase agreement executed on 3 October 2014; and
- e) a letter of offer has been duly accepted to purchase an industrial facility located in Prai for a purchase consideration of RM38,000,000. 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 463,700,098 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 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 third quarter of 2014.

Quarter Results

For the quarter ended 30 September 2014, Axis-REIT registered a total revenue of RM33,121,000. The realised net income from operations was RM18,893,000 after deducting total expenditure RM14,228,000 of which RM5,099,000 were attributable to property expenses and RM9,129,000 to non-property expenses.

Nine months Results

For the nine months period ended 30 September 2014, Axis-REIT recorded a total revenue of RM103,802,000. Total expenditure for the period under review was RM43,459,000, of which RM16,318,000 were attributable to property expenses and RM27,141,000 to non-property expenses. The disposal of Axis Plaza completed on 25 March 2014 had resulted in a total realised gain on disposal of RM10,952,000 which comprised the gain on disposal of RM1,614,000 and realisation of unrealised income* of RM9,338,000. Aggregating the net income from operations, total gain on disposal, portion of management fees payable in units, adjustments allowed under the Third Principal Deed dated 28 November 2013 together with the balance of undistributed earnings brought forward from prior year, the Fund has income available for distribution of RM72,455,000.

A total of RM49,021,778 was paid out for the first six months ended 30 June 2014 as the 2014 first and second interim income distributions, each of which translated to 5.30 sen per unit, respectively. Axis-REIT has further set aside RM23,185,005 (approximately 99.6% from realised income available for distribution generated from operations, portion of management fees payable in units, adjustments allowed under Third Principal Deed dated 28 November 2013 for the third quarter ended 30 September 2014 and the balance gain on disposal of Axis Plaza (final tranche) as the 2014 third interim income distribution which translates to 5.00 sen per unit payable on 28 November 2014.

**realisation of unrealised income – recognition of prior years' unrealised fair value gain on market value of Axis Plaza as realised income upon disposal.*

Maintenance costs & major capital expenditure

A total of RM8,299,000 has been incurred for enhancement of the properties of Axis-REIT during the nine months to-date.

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 financial year ending 31 December 2014.

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 2013 Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

There was no change to the total number of properties held by Axis-REIT (30 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 twelve 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 29 April 2014, the unitholders approved the following at the Unitholders' Meeting of Axis-REIT convened and held on the same date:
- (i) renewal of the authority to allot and issue up to 86,040,951 new units in Axis-REIT ("Units"), representing up to 18.65% of the then existing issued fund size of Axis-REIT of 461,239,089 Units to facilitate a placement exercise ("Authority 1");
 - (ii) increase in the then existing issued fund size of Axis-REIT from 461,239,089 Units up to a maximum of 547,280,040 Units; and
 - (iii) subscription of the new Units to be issued under placement exercise by certain Directors and persons connected to them.

On 13 June 2014, 2,461,009 new Units were issued pursuant to the income distribution reinvestment plan ("IDRP") which was applied to the first interim income distribution in respect of the period from 1 January 2014 to 31 March 2014 ("First Interim Income Distribution IDRP"). As such, the issued fund size of the Fund had increased from 461,239,089 Units to 463,700,098 Units. As the approval of the unitholders for the aforementioned increase in the issued fund size of Axis-REIT was up to a maximum of 547,280,040 Units and taking into account the 2,461,009 new Units which were issued pursuant to the First Interim Income Distribution IDRP, the revised maximum number of new Units that may be allotted and issued under the placement exercise would decrease to 83,579,942 new Units.

Axis-REIT has obtained the approval from Bursa Securities on 13 October 2014 for an extension of time of up to 3 April 2015 to complete the Authority 1.

The Authority 1 is currently pending implementation.

- b) On 30 April 2013, the unitholders had also approved 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 ("Authority 2"); and
 - (ii) increase in the existing issued fund size of Axis-REIT by a maximum of 2,000,000 Units pursuant to the Authority 2.

Axis-REIT has obtained the approval from Bursa Securities on 13 October 2014 for an extension of time of up to 3 April 2015 to complete the Authority 2.

On 20 October 2014, the Board announced that Axis-REIT proposes to issue 242,000 new Units for the payment of management fee to the Manager for the month of September 2014 ("New Units") at an issue price of RM3.60 per Unit. The issue price of the New Units of RM3.60 per Unit is equivalent to the ten (10)-day volume weighted average market price of the Units up to and including 30 September 2014.

- c) On 4 August 2014, it was announced that RHB Trustees Berhad, on behalf of Axis-REIT, proposes to acquire Axis Shah Alam DC3, Axis MRO Hub and Axis Shah Alam DC2 from related parties for a total cash consideration of RM280.5 million ("Proposed Acquisitions"). The Proposed Acquisitions are subject to the approval of the unitholders of Axis-REIT at a Unitholders' Meeting to be convened at a date to be determined later.

Please refer to the announcement dated 4 August 2014 for further details of the Proposed Acquisitions.

B10. FINANCING

	Current Financial Quarter End 30 September 2014 (RM' 000)	Preceding Financial Year End 31 December 2013 (RM' 000)
Short term financing		
- Secured Islamic revolving credit/hire purchase	285,191	264,147
Long term financing		
- Islamic Medium Term Note	264,501	263,857

B11. DERIVATIVES

As at 30 September 2014, 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 IRS 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 September 2014 <u>RM</u>	<u>Maturity</u>
3-year IPRS	(84,072)	Less than 3 years
5-year IPRS	53,315	Less than 1 year
3-year IPRS	114,360	Less than 3 years
	<u>83,603</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 30.09.2014 RM' 000	Immediate Preceding Quarter Ended 30.06.2014 RM' 000
Number of units in issue (units)	463,700,098	463,700,098
Earnings per unit (EPU) (realised) (sen)	4.06	4.50
EPU (include unrealised income) (sen)	8.65	4.75
Net realised income for the period(RM'000)	18,893	20,764
Distribution per unit (DPU) (sen)	5.00	5.30
Net Asset Value (NAV) (RM'000)	1,050,155	1,034,635
NAV Per Unit (RM)	2.2647	2.2313
Market Value Per Unit (RM)	3.62	3.31

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 o as to give a true and fair view of the financial position of Axis-REIT as at 30 September 2014 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 20 October 2014.

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
20 October 2014