

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

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30.09.2015 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2014 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Investment properties	2,046,976	1,982,587
Equipment	3,712	2,821
<b>Total Non-Current Assets</b>	<b>2,050,688</b>	<b>1,985,408</b>
<b>Current Assets</b>		
Receivables, deposits and prepayments	8,539	10,359
Islamic deposits placed with licensed banks	19,579	80,294
Cash and bank balances	8,807	9,822
<b>Total Current Assets</b>	<b>36,925</b>	<b>100,475</b>
<b>TOTAL ASSETS</b>	<b>2,087,613</b>	<b>2,085,883</b>
<b>LIABILITIES</b>		
<b>Non-Current Liabilities</b>		
Tenant's deposits	39,477	35,984
Financing	330,815	264,434
<b>Current Liabilities</b>		
Payables and accruals	13,874	39,761
Financing	350,825	419,335
<b>TOTAL LIABILITIES</b>	<b>734,991</b>	<b>759,514</b>
<b><u>FINANCED BY:</u></b>		
<b><u>UNITHOLDERS' FUNDS</u></b>		
Unitholders' capital	1,045,258	1,044,664
Distributable income	21,383	5,555
Non-distributable reserves	285,981	276,150
	<b>1,352,622</b>	<b>1,326,369</b>
<b>TOTAL UNITHOLDERS' FUNDS AND LIABILITIES</b>	<b>2,087,613</b>	<b>2,085,883</b>
<b>NET ASSET VALUE</b>	<b>1,352,622</b>	<b>1,326,369</b>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<b>1,095,516,080</b>	<b>547,522,040</b>
<b>NET ASSET VALUE PER UNIT (RM)</b>		
- Before income distribution	<b>1.2347</b>	<b>2.4225</b>
- After income distribution (Note 1)	<b>1.2127</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 third interim income distribution of 2.20 sen per unit payable on 9 December 2015.

**AXIS REAL ESTATE INVESTMENT TRUST**

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 30.09.2015	Preceding Year Corresponding Quarter 30.09.2014	Current Year To date 30.09.2015	Preceding Year To date 30.09.2014
	RM'000	RM'000	RM'000	RM'000
<b>TOTAL TRUST REVENUE</b>	<b>41,857</b>	<b>33,121</b>	<b>123,813</b>	<b>103,802</b>
Realised property income	41,631	33,004	123,245	103,255
Unrealised rental income (unbilled lease income receivable) **	1,241	542	3,679	1,717
	42,872	33,546	126,924	104,972
Less : Assessment	(919)	(790)	(2,777)	(2,367)
Quit rent	(252)	(205)	(741)	(618)
Other property operating expenditure	(4,655)	(4,104)	(14,224)	(13,333)
Net property income	37,046	28,447	109,182	88,654
Profit income / Other income	226	117	568	547
Net gain on disposal of investment property	-	-	-	1,614
Change in fair value of investment properties	-	20,869	8,702	20,869
Unbilled lease income receivable **	(1,241)	(542)	(3,679)	(1,717)
Fair value change on derivatives	542	(42)	167	282
Net gain on financial liabilities measured at amortised cost	139	376	962	1,264
<b>NET PROPERTY AND INVESTMENT INCOME</b>	<b>36,713</b>	<b>49,225</b>	<b>115,902</b>	<b>111,513</b>
Manager's fees	3,424	2,606	10,359	7,781
Trustee's fees	177	138	534	426
Depreciation	105	76	288	214
Auditors' fees	31	29	93	86
Tax agent's fee	16	4	25	13
Allowance for doubtful/bad debts	43	-	177	37
Administrative expense	847	499	2,386	1,615
Islamic financing cost *	7,606	5,777	22,354	16,969
<b>NON-PROPERTY EXPENSES</b>	<b>12,249</b>	<b>9,129</b>	<b>36,216</b>	<b>27,141</b>
<b>NET TRUST INCOME BEFORE TAX</b>	<b>24,463</b>	<b>40,096</b>	<b>79,686</b>	<b>84,372</b>
<b>INCOME TAX EXPENSES</b>	<b>(73)</b>	<b>-</b>	<b>(73)</b>	<b>-</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>24,390</b>	<b>40,096</b>	<b>79,613</b>	<b>84,372</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 30.09.2015 RM'000	Preceding Year Corresponding Quarter 30.09.2014 RM'000	Current Year To date 30.09.2015 RM'000	Preceding Year To date 30.09.2014 RM'000
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>24,390</b>	<b>40,096</b>	<b>79,613</b>
EARNINGS PER UNIT (EPU) (sen) ***	2.23	4.33	7.27	9.13
<b>NET INCOME FOR THE PERIOD IS MADE UP AS FOLLOWS:</b>				
Realised	23,709	18,893	69,782	61,957
Unrealised rental income **	1,241	542	3,679	1,717
Unrealised - change in fair value of investment properties	-	20,869	8,702	20,869
Unrealised - unbilled lease income receivable **	(1,241)	(542)	(3,679)	(1,717)
Unrealised - Net gain on financial liabilities measured at amortised cost	139	376	962	1,264
Unrealised - Fair value change on derivatives	542	(42)	167	282
	24,390	40,096	79,613	84,372

(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.

\*\*\* The EPU is calculated based on the number of units in issue of 1,095,516,080. The total fund size of Axis-REIT had been increased from 547,758,040 units to 1,095,516,080 units upon completion of the Unit Split on 9 September 2015. The EPU reflected under the preceding year corresponding quarter and preceding year to date has also been restated and presented as after the Unit Split (as defined herein) as required by the relevant applicable accounting standard.

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

FROM 1 JANUARY 2014 TO 30 SEPTEMBER 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	-	61,957	22,415	84,372
Realisation of unrealised income	-	9,338	(9,338)	-
<i>Total comprehensive income for the Period</i>	-	71,295	13,077	84,372
<b>Contributions by and distributions to unitholders</b>				
Issuance of Units under Income				
Distribution Reinvestment Plan	7,875	-	-	7,875
Distribution to Unitholders	-	(70,701)	-	(70,701)
Issuing expenses	(31)	-	-	(31)
<i>Total transactions with unitholders</i>	7,844	(70,701)	-	(62,857)
<b>At 30 September 2014</b>	<b>758,810</b>	<b>21,949</b>	<b>269,396</b>	<b>1,050,155</b>

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

FROM 1 JANUARY 2015 TO 30 SEPTEMBER 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	-	69,782	9,831	79,613
<i>Total comprehensive income for the Period</i>	-	69,782	9,831	79,613
<b>Contributions by and distributions to unitholders</b>				
Issuance of Units	852	-	-	852
Issuing expenses	(258)	-	-	(258)
Distribution to Unitholders#	-	(53,954)	-	(53,954)
<i>Total transactions with unitholders</i>	594	(53,954)	-	(53,360)
<b>At 30 September 2015</b>	<b>1,045,258</b>	<b>21,383</b>	<b>285,981</b>	<b>1,352,622</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 which was paid on 27 February 2015, and the first and second interim income distributions amounting to a total of 8.40 sen per unit for the financial year 2015 which were paid on 29 May 2015 and 11 September 2015, respectively.

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

	<b>Current Year To Date 30.09.2015 RM'000</b>	<b>Preceding Year To Date 30.09.2014 RM'000</b>
<b>Cash flows from operating activities</b>		
Net income before taxation	79,686	84,372
Adjustments for :-		
Islamic financing cost	22,354	16,969
Profit income	(545)	(547)
Change in fair value of investment properties	(8,702)	(20,869)
Net gain on disposal of investment property	-	(1,614)
Depreciation	288	214
Net gain on financial liabilities measured at amortised cost	(962)	(1,264)
Allowance for doubtful/bad debts	177	37
Fair value change on derivatives	(167)	(282)
Operating income before changes in working capital	92,129	77,016
<b>Changes in working capital</b>		
Receivables, deposits and prepayments	1,643	(33,640)
Payables and accruals	(19,907)	(6,275)
Tenants' deposits	(1,358)	(3,711)
<b>Cash generated from operating activities</b>	72,507	33,390
Tax paid	(73)	-
<b>Net cash from operating activities</b>	72,434	33,390
<b>Cash flows from investing activities</b>		
Profit income received	545	547
Enhancement of investment properties	(9,905)	(8,299)
Acquisition of equipment	(1,179)	(702)
Net proceeds from disposal of investment property	-	30,248
Acquisition of investment property	(45,782)	-
<b>Net cash (used in)/from investing activities</b>	(56,321)	21,794
<b>Cash flows from financing activities</b>		
Islamic financing cost paid	(22,354)	(16,969)
Payment of financing, net	(2,129)	21,688
Income distribution paid to unitholders	(53,954)	(70,701)
Proceed from issue of units	852	7,875
Issuing expenses	(258)	(31)
<b>Net cash used in financing activities</b>	(77,843)	(58,138)

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

	<b>Current Year</b>	<b>Preceding Year</b>
	<b>To Date</b>	<b>To Date</b>
	<b>30.09.2015</b>	<b>30.09.2014</b>
	<b>RM'000</b>	<b>RM'000</b>
Net decrease in cash and cash equivalents	(61,730)	(2,954)
Cash and cash equivalents at beginning of period	89,816	34,523
Cash and cash equivalents at end of period	28,086	31,569
 <b>Cash and cash equivalents</b>		
Cash and bank balances	8,807	6,679
Islamic deposits placed with licensed banks	19,579	25,190
	28,386	31,869
Less: Islamic deposits placed with licensed banks - pledged	(300)	(300)
	28,086	31,569

(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 (“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 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 save as disclosed in Note A11 below.

**A7. INCOME DISTRIBUTION**

During the quarter under review, the 2015 second interim income distribution of 4.30 sen per unit, totaling RM23,553,594, in respect of the period from 1 April 2015 to 30 June 2015, was paid on 11 September 2015.



The Manager has proposed to distribute 99.76% from realised income available for distribution in respect of the period from 1 July 2015 to 30 September 2015 of 2.20 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.
- 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 still ongoing in finalizing the terms of the transaction.
- d) A letter of offer has been duly accepted to purchase a warehouse facility located in SiLC, Johor for a purchase consideration of RM41,000,000.
- e) Proposed acquisition of an industrial facility in Prai for a purchase consideration of RM38,000,000 (the letter of offer was accepted during the financial year ended 2014) has been aborted.

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

The unit split involving the subdivision of every one (1) existing unit in Axis-REIT held by the entitled unitholders of Axis-REIT into two (2) units in Axis-REIT was implemented and completed on 9 September 2015 following the listing of and quotation for 1,095,516,080 units on the Main Market of Bursa Securities ("Unit Split"). The fund size of Axis-REIT had increased from 547,758,040 units to 1,095,516,080 units arising from the Unit Split and the composition of the fund size of Axis-REIT as at the current quarter ended 30 September 2015 stood at 1,095,516,080 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 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 for the third quarter of 2015.

#### Quarter Results

For the quarter ended 30 September 2015, Axis-REIT registered a total revenue of RM41,857,000. The realised net income from operations was RM23,709,000 after deducting total expenditure RM18,075,000 of which RM5,826,000 were attributable to property expenses and RM12,249,000 to non-property expenses and RM73,000 to income tax expenses.

#### Nine Months Results

For the nine months period ended 30 September 2015, Axis-REIT recorded a total revenue of RM123,813,000. Total expenditure for the period under review was RM53,958,000, of which RM17,742,000 were attributable to property expenses and RM36,216,000 to non-property expenses and RM73,000 to income tax expenses.

For the period under review, together with the brought forward undistributed income from previous quarter, the total income available for distribution amounted to RM70,280,000. A total of RM46,012,000 was paid out for the first six months ended 30 June 2015 as the 2015 first and second interim income distributions, each of which translated to 4.10 sen per unit and 4.30 sen per unit respectively. Axis-REIT has further set aside RM24,101,000 (approximately 99.76% of total income available for distribution in respect of the period from 1 July 2015 to 30 September 2015 as the third interim income distribution which translates to 2.20 sen per unit payable on 9 December 2015.

#### Maintenance costs & major capital expenditure

A total of RM9,905,000 has been incurred for enhancement of the properties of Axis-REIT during the financial period ended 30 September 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**

The fund size of Axis-REIT had increased to 1,095,516,080 units with the issuance of new 547,758,040 units pursuant to the Unit Split which was implemented and completed on 9 September 2015. There were no proceeds raised from the Unit Split as the Unit Split involved the subdivision of every one (1) existing unit in Axis-REIT into two (2) units in Axis-REIT.

**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 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.

As a result of the implementation of the Unit Split, the number of new units permitted to be issued pursuant to the Payment of Management Fee Authority will be up to a maximum of 3,044,000 new units.

- b) The unitholders of Axis-REIT had on 21 August 2015 approved the following proposals at the Unitholders' Meeting convened and held on the same date:
- (i) a unit split involving the subdivision of every one (1) existing unit in Axis-REIT ("Existing Unit") into two (2) units in Axis-REIT ("Subdivided Units");
  - (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 Unit Split;
  - (iii) the allotment and issuance of up to 219,103,216 new Subdivided Units (with the Unit Split being implemented) representing up to 20% of the issued fund size of Axis-REIT after the Unit Split of 1,095,516,080 Subdivided Units pursuant to Clause 14.03 of the Guidelines on Real Estate Investment Trusts ("REIT Guidelines") 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 (with the Unit Split being 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 1,095,516,080 Subdivided Units to a maximum of 1,472,857,980 Subdivided Units if the Unit Split, Proposed Authority, Proposed Renewal of IDR Authority and Payment of Management Fee Authority are implemented.

The Unit Split was implemented and completed with the Subdivided Units being listed and quoted on the Main Market of Bursa Securities on 9 September 2015. Upon completion of the Unit Split, the issued fund size of Axis-REIT had increased from 547,758,040 Existing Units to 1,095,516,080 Subdivided Units.

On the Proposed Authority to facilitate a placement exercise, it was announced on 25 September 2015 that Axis-REIT will use the net proceeds to be raised from the placement exercise to repay Axis-REIT's existing bank financing (including finance cost payable) which were taken up to finance, among others, the acquisitions of Axis Shah Alam DC3, Axis MRO Hub and Axis Shah Alam DC2. Clause 10.12(b) of the REIT Guidelines stipulates that where a real estate (including those held by single-purpose companies) is the subject of an acquisition financed, or refinanced within one (1) year, through the issuance of new units, the value of the real estate requires SC's approval. The valuation reports of Axis Shah Alam DC3, Axis MRO Hub and Axis Shah Alam DC2 had been submitted to the SC on 30 September 2015.

B10. FINANCING

	Current Financial Quarter Ended 30 September 2015 (RM' 000)	Preceding Financial Year Ended 31 December 2014 (RM' 000)
Short term financing		
- Secured Islamic revolving credit/hire purchase	350,825	419,335
Long term financing		
- Islamic Medium Term Note/hire purchase	330,815	264,434

B11. DERIVATIVES

As at 30 September 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 September 2015 <u>RM</u>	<u>Maturity</u>
3-year IPRS	164,437	Less than 3 years
3-year IPRS	92,341	Less than 3 years
	<u>256,778</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 30.09.2015  RM' 000	Immediate Preceding Quarter Ended 30.06.2015 (restated to reflect Unit Split)  RM' 000	Immediate Preceding Quarter Ended 30.06.2015 (Before Unit Split) RM' 000
Number of units in issue (units)	1,095,516,080	1,095,516,080	547,758,040
EPU (realised) (sen)	2.16 #	2.15 #	4.30
EPU (include unrealised income) (sen)	2.23 #	2.91 #	5.82
Net realised income for the period(RM'000)	23,709	23,566	23,566
Distribution per unit (DPU) (sen)	2.20	2.15	4.30
Net Asset Value (NAV) (RM'000)	1,352,622	1,352,042	1,352,042
NAV Per Unit (RM)	1.2347	1.2342 *	2.4683
Market Value Per Unit (RM)	1.69	1.73	3.45

# The calculation is based on the number of units in issue of 1,095,516,080. The fund size of Axis-REIT had been increased from 547,758,040 units to 1,095,516,080 units upon completion of the Unit Split on 9 September 2015. The EPU reflected under the immediate preceding quarter ended 30 June 2015 has been restated and presented as after the Unit Split as required by the relevant applicable accounting standard.

\* NAV has been restated for comparison purposes.

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 September 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 19 October 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  
19 October 2015