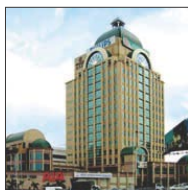






Securing Your Tomorrows' Today



OUR LOGO, VISION & BUSINESS PHILOSOPHY



Our Logo depicts the four corners of the world where "Eastern Philosophy Meets Western Business Practises"; representing the international components of Axis REIT Managers Berhad. It displays the culmination of their experiences, backgrounds and knowledge from Norway, Australia and Southeast Asia.



Our vision is to become the Country's leading supplier of commercial, office and light industrial real estate.



Our Business Philosophy is to provide our customers with the best solutions in the supply of office/commercial and industrial space. We practice an open, transparent and creative management of our real estate portfolio, whilst being 'hands on' with our tenants. Our principal objective is to translate our business philosophy into best management practises thereby maximising returns to Axis-REIT Unitholders.



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This Half-Yearly Report for the period ended 30 June 2006 has been prepared by Axis REIT Managers Berhad (649450-W) as the Manager of Axis-REIT. Whilst every care has been taken in relation to its accuracy, no warranty is given or implied. The information provided is not investment advice and recipients should consider obtaining independent advice before making any decision that relies on this information.

All values are expressed in Malaysian currency unless otherwise stated.

This Half-Yearly Report is issued in August 2006.

Financial Update

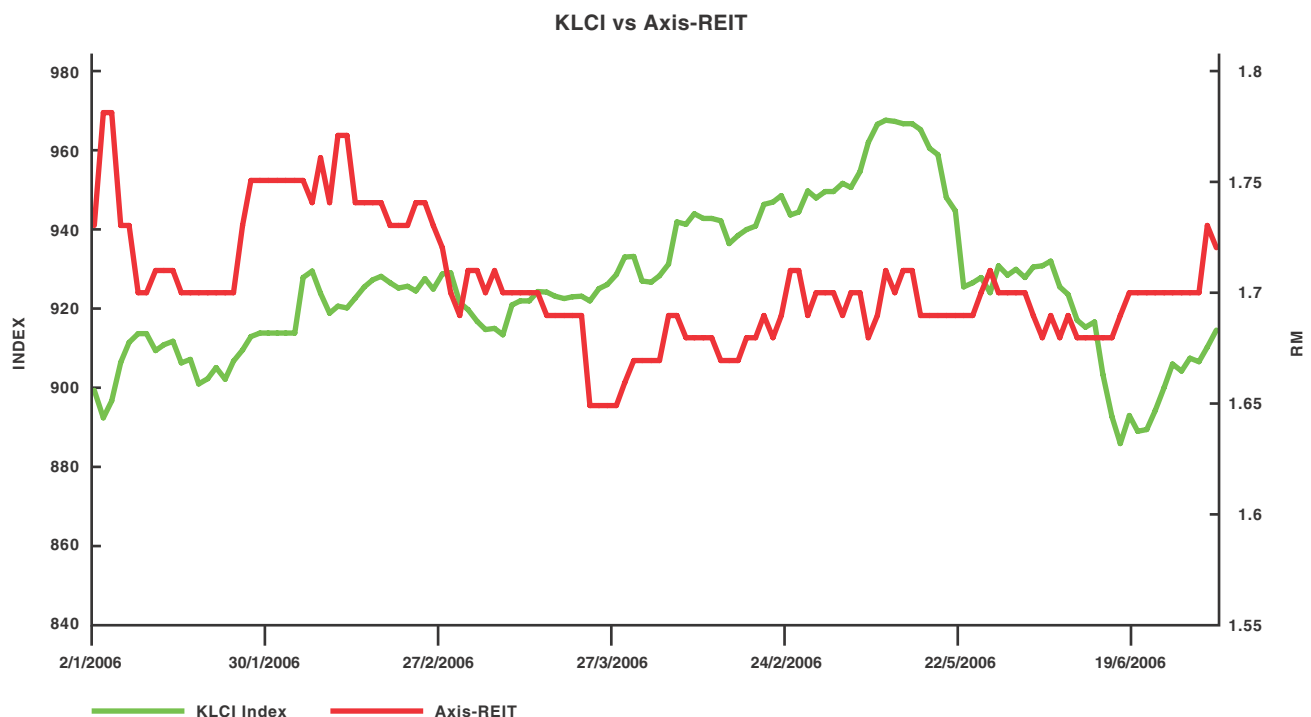
	ACTUAL UNAUDITED 1 JAN TO 30 JUNE 2006	ACTUAL AUDITED 03 AUG TO 31 DEC 2005
Net Income before tax (RM '000)		
- Realised	13,137	10,052
- Unrealised ⁽¹⁾	8,422	-
Income Distribution (RM '000)		
- Realised	12,766	9,677
Earnings per Unit (sen)		
- Total	10.42	4.87
- Realised	6.32	4.87
Distribution per Unit (sen)		
- Realised	6.20	4.70
Annualised management expenses ratio (%)	0.92	0.88
Annualised distribution yield (%) ⁽²⁾	7.21	6.65

Note: (1) - This is the surplus of appraised values over acquisition costs arising from acquisitions completed in the six months ended 30 June 2006. This is an unrealised gain and is not available for income distribution.

(2) - This is based on the Market Price per unit of RM1.72 and RM1.73 as at 30 June 2006 and 31 December 2005 respectively.

	AS AT 30 JUNE 2006	AS AT 31 DECEMBER 2005
Total Assets (RM '000)	402,265	339,632
Total Borrowing (RM '000)	87,644	40,000
Total Unitholders' Fund (RM '000)	286,530	277,851
Market Capitalisation (RM '000)	354,149	356,209
Total Borrowing to Total Assets (%)	21.79	11.77
Net Asset Value per Unit (RM)	1.39	1.35
Market Price per Unit - RM	1.72	1.73
No of Units in circulation - ('000)	205,901	205,901
No. of Unitholders	1,034	1,216

Axis- REIT UNIT PRICE PERFORMANCE





Salient Features of Trust

Trust category	REIT.
Trust type	Growth and income.
Growth strategy	The Manager intends to achieve the primary objectives of the Trust by implementing investment and growth strategies which include strategies for organic growth and selective acquisitions of additional real estates.
Approved size of Trust	205,901,000 Units.
Authorized investments	At least 75% of the total assets of Axis-REIT must be invested in Real Estate Assets, real estate-related assets or liquid assets out of which at least 50% must be invested in Real Estate Assets and the balance 25% may be invested in any other authorized investments.
Initial Public Offering Retail Price	RM1.25 per Issue Unit.
FYE	31 December.
Distribution policy	Semi-annually in arrears, all (or such lower percentage as determined by the Manager in its absolute discretion) of the distributable income of Axis-REIT. For the 3 FYEs 31 December 2007, Axis REIT Managers intends to distribute 95% of the distributable income of Axis-REIT.
Borrowing limitations	Up to 35% of the total asset value of the Fund at the time the borrowing is incurred. (Revised on 10 July 2006 to 50% of the total asset value of the Trust at the time the borrowing incurred).
Revaluation policy	The real estate shall be revalued at least once every year from the date of the last valuation.
No redemption by Unit holders	Unit holders have no right to request the Manager to repurchase their Units while the Units are listed and not suspended for more than 90 consecutive Market Days.
Minimum initial investment	Minimum of 100 Units.
Minimum additional investment	Multiples of 100 Units.
Investor profile	Suitable for investors who understand the risks related to the real estate industry and expect to benefit from the periodic distribution of income and long-term growth of the Trust.
Form	The Units will be issued in registered form and shall be constituted by the Deed.
Board lot	100 Units per board lot.
Quotation	Main Board of Bursa Malaysia Securities Bhd.
Bursa Malaysia Stock Number	AXREIT 5106.

Chairman's Message

It gives me great pleasure to present the Axis Real Estate Investment Trust's (Axis-REIT's) half-year results to Unitholders for the period ended June 30, 2006.

On behalf of the Board of Directors and Management of Axis REIT Managers Berhad, I am pleased to announce that Unitholders will be entitled to an interim distribution of 6.2 sen for the period under review. In terms of returns, the Distribution per Unit (DPU) represents an annualised yield of 9.92% based on its retail offer price of RM 1.25 an improvement of 7.8% over the year-end performance of 2005.

Upon listing Axis-REIT achieved an opening price of RM 1.48 per unit and closed trading at RM 1.72 on 30 June, 2006. This represents a capital gain of 37.6% on its retail offer price. The REIT has maintained its share price performance in a largely volatile market for equities through the ability of the Manager to demonstrate its acquisition strategy and deliver on its promises in the past six months.

Excellent performance for the first half of 2006

Since the listing of Axis-REIT on 3 August 2005, the Manager has successfully concluded the purchase of an additional four properties valued at approximately RM 104,000,000 bringing the total portfolio to nine properties since listing. These properties were all acquired from third parties, and consist of a mixture of industrial/commercial, industrial and a logistics center. Of these acquisitions, Wisma Bintang (the Cycle and Carriage Bintang Bhd's HQ) and the Axis North Port Logistics Centre 1, with a combined value of RM 42,800,000 were concluded in the first half of 2006. These were yield accretive purchases funded by existing credit facilities, and should start contributing to the income of the Trust in the second half of 2006.

The Trust's portfolio of properties is now valued at RM 399,900,000 with a total area of 1,650,434 sq ft under management. The borrowings of Axis-REIT stands at RM 87,644,000 for the period under review but its gearing is still conservative at 21.79%. The Trust's net assets have risen from RM1.35 to RM 1.39 since 31 December 2005.

Units in issue remain at 205,901,000 and Unitholders will continue to benefit from the steadily increasing returns that these new acquisitions will provide.

Management continues to deliver results

All the properties in the portfolio continue to enjoy high occupancy rates due to management's commitment to tenant care and delivery of quality office space. Work has commenced on the upgrading of Kompleks Kemajuan and Kayangan Depot; both of which will undergo comprehensive building enhancements in the second half of the year. With these enhancements in place, it is the view of the management that the properties will commence to command higher rentals and tenancy levels.

Tenancy commitments amounting 96,550 sq ft were concluded in the first half of the year representing 5.85% of the total net lettable area of the portfolio. Average increases in the value of the renewals were 10%.

The Manager also launched its website www.axis-reit.com.my which contains a wealth of information for investors and analysts alike.

Rapid Growth in the Malaysian REIT market

With the recent listing of the Al-'Aqar KPJ REIT the number of REIT counters on Bursa Malaysia have risen to eight. This includes the three listed Property Trusts that were listed prior to the listing of Axis-REIT in August last year. With several upcoming REITs in the pipeline, REITs will become an important asset class for investors.

I am also pleased to report that Axis-REIT continues to benchmark the industry, and remains the top pick amongst Malaysian REITs. It has continued to command a strong premium both against its Net Tangible Assets (NTA) as well as on its retail offer price at the Initial Public Offering (IPO).

The Securities Commission (SC) continues to provide incentives to the growth of REITs in Malaysia. On 10th of July 2006, the SC issued a change in guidelines, which allowed REITs to increase their gearing from 35% to 50% of total assets. This augurs well for Axis-REIT, as it will allow the Manager to actively pursue its



acquisition strategy by taking advantage of the additional gearing to acquire properties.

The Malaysian Economy Maintains Growth

Bank Negara Malaysia (BNM) Governor Tan Sri Dato' Sri Dr. Zeti Akhtar Aziz stated on 24 June 2006 that the Government expects the economy to expand by 6% this year, compared with 5.2% last year. This forecast was reaffirmed in a statement by the Second Finance Minister Tan Sri Nor Mohamed Yakcop on 24th of June 2006. In addition there is optimism that the Ringgit will continue to rise against the US Dollar in the remainder of 2006, making Malaysian denominated equities and papers attractive as a hedge.

BNM has for the moment stopped raising the Overnight Policy Rate (OPR) having increased it by 50 basis points for the first half of 2006. These increases did cause some uncertainty in the REIT market, which tends to have a correlation to rising interest rates. With a pause in the rise in interest rates we should see renewed interest and trading activity of REITs as an asset class.

Acknowledgements

On behalf of the Manager, I would like to thank our Unitholders and the investment community for the confidence they have shown in our Trust. The Manager will continue to pursue its strategy of acquiring properties that are yield and capital accretive for the benefit of Unitholders.

On this note I would like to reaffirm the Manager's commitment in providing quality office and industrial space for the benefit of our tenants to whom we are truly grateful, and for whom we will continue to serve at the highest level possible.

Dato' Abdul Azim Mohd Zabidi
Chairman

Axis REIT Managers Bhd

23 August 2006

Manager's Report

The Directors of Axis REIT Managers Berhad, the Manager of Axis Real Estate Investment Trust ("Axis-REIT") have pleasure in submitting their report to the Unitholders of the Axis-REIT together with the unaudited financial statements of Axis-REIT for the six (6) months period ended 30 June 2006.

Since the beginning of the year the Manager has successfully completed the acquisition of two (2) new properties, which will be yield accretive as well as provide a capital gain of RM6.446 million for Unitholders. In addition the acquisition of Kayangan Depot that was reported on 2nd December 2005 was successfully completed on the 30th June 2006. The completion of these three (3) acquisitions will see a significant contribution to the income of the Trust in the second half of 2006.

PRINCIPAL ACTIVITY

Axis-REIT was established on 15 June 2005 and listed on Bursa Malaysia Securities Berhad on 3 August 2005. The principal activity of the Axis-REIT is to invest in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.



REVIEW OF PERFORMANCE

AS AT 30 JUNE 2006

Total Net Asset Value (RM)	286,530,494
Units in Circulation (Units)	205,901,000
Net Asset Value per unit (RM)	1.392
Market Value per Unit (RM) as at 30 June 2006	1.720
Highest Traded Price for the six months period (RM)	1.780
Lowest Traded Price for the six months period (RM)	1.650

RESULTS

	RM'000
Total Gross Income	19,074
Total Property Expenses	3,738
Total Income	15,336
Total Non-Property Expenses	2,199
Income before taxation and net appreciation on fair value of investment properties	13,137
Net appreciation on fair value of investment properties	8,422
Income before Taxation	21,559
Income after Taxation	21,445
Earnings per Unit after Tax (sen)	10.42
Distribution per Unit (DPU) (sen)	6.20

The Manager is pleased to report that for the six (6) months financial period ended 30 June 2006, the total revenue of the Trust was RM19,074,502, comprising gross rental income of RM19,039,982 and interest income of RM34,520. The gross rental income represents an increase of 38.4% as compared with the results for period ended 31 December 2005: -

	31/12/2005 (RM'000)	30/6/2006 (RM'000)
Original 5 IPO properties	13,615	17,124
Kompleks Kemajuan	146	1,774
Axis North Port Logistic Centre 1	-	142
Total Gross Rental Income	13,761	19,040

The two (2) acquisitions comprising Kayangan Depot and Wisma Bintang (Cycle & Carriage Berhad HQ) were completed on 30 June 2006 but income recognition will take effect only from 1 July 2006.

Income before taxation and net appreciation on fair value of investment properties rose to RM13,137,474 (RM10,052,330 at 31 December 2005) after deducting total Trust expenditure of RM5,937,028 (RM4,036,628 at 31 December 2005). In respect to the three (3) acquisitions completed during this six (6) months period, the Trust registered a total appreciation on fair values of these investment properties of RM8,422,607 (unrealised), being the surplus of appraised values over acquisition costs. This translates to a total income before tax of RM21,560,081, equivalent to earnings per unit of 10.42 sen.

The Manager has recommended and the Trustee has approved an income distribution of 6.20 sen per unit (equivalent to 97.18% of income before tax [realised]), totaling RM12,765,862.

The Manager expects to maintain excellent performance from its existing investment portfolio of nine (9) properties for the 2nd half of 2006.

INCOME DISTRIBUTION

An income distribution of 4.70 sen per unit, totaling RM9,677,347 (equivalent to 96.3% of the income before tax) was paid on 28 February 2006 in respect to the financial period ended 31 December 2005.

For the six (6) months financial period ended 30 June 2006, the Manager has recommended and the Trustee has approved an interim income distribution of 6.20 sen per unit, totaling RM12,765,862 (equivalent to 97.18% of the earnings before tax [realised]) to be paid on 30 August 2006. This leaves an undistributed income before taxation [realised] of RM371,612 and with a tax provision of RM113,897, the undistributed income after taxation amounted to RM257,715.

The Distribution per Unit ("DPU") of 6.20 sen translates to a yield of 7.21% based on the closing price of RM1.72 on 30 June 2006 and is in line with the objectives of Axis-REIT to provide Unitholders with excellent distributions.

BREAKDOWN OF UNITHOLDERS

	NO. OF UNITHOLDERS	% OF UNITHOLDERS	NO. OF UNITHOLDINGS	% OF UNITHOLDINGS
5,000 and below	621	60.06	1,337,900	0.65
5,001 to 10,000	148	14.31	1,145,400	0.56
10,001 to 50,000	109	10.54	2,589,300	1.25
50,001 to 500,000	109	10.54	20,972,000	10.19
500,001 and above	47	4.55	179,856,400	87.35
	1,034	100.00	205,901,000	100.00

DIRECTORS OF THE MANAGER

Directors who served since commencement are:

DIRECTOR	ALTERNATE
Dato' Abdul Azim Mohd Zabidi	-
Dato' Mohamed Salleh Bajuri	-
Dato' Abas Carl Gunnar bin Abdullah	Alex Lee Lao
George Stewart LaBrooy	-
Lim Kian Thiam	Khoo Cheang Ee
Stephen Tew Peng Hwee	-

MEMBERS OF THE RESPECTIVE COMMITTEES

	AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	EXECUTIVE COMMITTEE
Dato' Abdul Azim Mohd Zabidi	C	C	
Dato' Mohamed Salleh Bajuri	M	M	
Dato' Abas Carl Gunnar		M	C
Lim Kian Thiam	M		M
Stephen Tew Peng Hwee			M
George Stewart LaBrooy			M

C - Chairman, M - Member

MEETING ATTENDANCE

	BOARD MEETINGS (No. of meetings held - 3)	AUDIT COMMITTEE (No. of meetings held - 2)	NOMINATION & REMUNERATION COMMITTEE (No. of meeting holds - 3)	EXECUTIVE COMMITTEE (No. of meetings held - 4)
Dato' Abdul Azim Mohd Zabidi	3	2	3	
Dato' Mohamed Salleh Bajuri	3	2	3	
Dato' Abas Carl Gunnar	3		3	4
Lim Kian Thiam	3	2		3
Stephen Tew Peng Hwee	3			4
George Stewart LaBrooy	3			4

DIRECTORS BENEFITS

For the six (6) months period ended 30 June 2006, no Director of the Manager has received or become entitled to receive any benefit by reason of a contract made by the Trust or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than our Director Stephen Tew Peng Hwee, who may have deemed to have derived a benefit by virtue of certain tenancy commissions fees receivable by Hectares & Stratas; a Real Estate Practice of whom he is the Principal of.

There were no arrangements during and at the end of the six months period, which had the objective of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in, or debentures of the Trust or any other body corporate.

MANAGER'S FEE

The Manager is entitled to receive a fee of up to a maximum of 1% per annum of the NAV of Axis-REIT, calculated on a monthly basis and payable to the Manager monthly in arrears.

The Trustee and Unitholders must approve any increase in the maximum permitted level of the Manager's fees by way of an ordinary resolution of the Unitholders passed at a Unitholders' meeting convened in accordance with the Deed.

For the six (6) months ended 30 June 2006, the Manager's fee was RM 978,272 representing 0.70% per annum of the NAV of Axis-REIT. The Manager did not receive any soft commissions during this period.

Save for the expenses incurred for the general overheads and costs of services which the Manager is expected to provide, or falling within the normal expertise of the Manager, the Manager has the right to be reimbursed the fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of the Trust.

The Manager has applied and the Trustee has approved that the Managers fee will be revised to the permitted maximum of 1% of NAV commencing 1 July 2006 to meet its increasing operational costs.

GROWTH STRATEGY & INVESTMENT POLICY

The Manager has continued to demonstrate to the investment community its commitment to growth through its ability to purchase properties from third parties for the Trust as well as to undertake asset enhancement exercises in existing properties to improve income.

ORGANIC GROWTH STRATEGY

The Manager is committed to organically grow the Trust through:

- Maintaining high occupancy levels and tenant retention
- Creating new leasing opportunities in existing properties
- Enhancing of assets
- Minimising property expenses
- Providing superior customer service
- Maintaining a strong alliance with real estate practitioners

ACQUISITION STRATEGY

The Manager is pleased to report that for the first half of 2006 it successfully acquired two (2) new properties bringing the total portfolio to nine (9) properties from the five (5) that were part of the initial public offering on 3 August 2005. The two (2) properties were the Axis North Port Logistics Center 1, the Trust's first logistics centre asset purchased for a consideration of RM10,300,000, and Wisma Bintang (Cycle & Carriage Bintang Berhad HQ), which was purchased for a consideration of RM32,500,000.

The Manager is also pleased to report the conclusion of the purchase of Kayangan Depot on 30 June 2006 after State Authority approval for the transfer of the title was obtained.

With the conclusion of these acquisitions the Manager has successfully increased the managed space to 1,650,434 sq ft from an initial 981,147 sq ft; an increase of 68%.

INFORMATION ON AXIS NORTH PORT LOGISTICS CENTRE 1

Owned by the Selangor State Development Corporation since 1993, Lot 24, Jalan Lebu 1 is an industrial lot located within a development called Kawasan Perusahaan Bandar Sultan Sulaiman, North Port, Pelabuhan Klang. The property is an integrated logistics center with offices and docking bays for containers. It is located in the North Port, Port Klang and has excellent access to the main highway connecting the Port to the NKVE. The combined gross built-up area of the Original Buildings and the Extensions is 149,248 sq. ft. It has an industrial title with tenure of lease of 99 years.

Lot 24, with its existing buildings and land, is currently tenanted by MISC Integrated Logistics Sdn Bhd (Co. No. 112036-P). A tenancy agreement was entered into between the Vendor ECD and the Tenant on 9 February 2006 for the period commencing 1 January 2006 and expiring on 31 December 2007 at a monthly rental of RM110,000.00 with an option to renew for another three years at rental based on prevailing market rate to be mutually agreed.

The annualized gross rental income is RM1,320,000. The rental rate per month per square feet as at 31 March 2006 is RM0.85 calculated on a net lettable area of 130,000 sq.ft.

- The Basis of the Purchase Price

The purchase consideration for Lot 24 was arrived based on a willing-buyer willing-seller basis, after taking into account the market value of Lot 24 of RM13.5 million as appraised by Colliers, Jordan Lee & Jaafar Sdn Bhd (an independent firm of registered valuers) in its valuation report dated 6 March 2006. The valuation was arrived at using a combination of costs and investment methods of valuation.

- Source of Funding

The acquisition of the Axis North Port Logistics Center 1 was funded by existing bank borrowings.

- Completion of Purchase

The purchase was completed on 22 May 2006.

INFORMATION ON WISMA BINTANG

Wisma Bintang consists of Lot 13A & Lot 13B are two contiguous plots of industrial land. Together, they form a near rectangular shape.

Lot 13A

Lot 13A is an Industrial Lot and constructed upon it is a 4 storey showroom cum office space with a basement level. Lot 13A is currently occupied by Cycle & Carriage as their showroom cum office. Further details of Lot 13A are set out in the table below.

Property particulars	: Lot 13A, Jalan 225, Section 51A, 46100 Petaling Jaya, Selangor Darul Ehsan. (Held under title PN 4614 Lot 20 Section 32, Town of Petaling Jaya, District of Petaling).
Land area	: 108,900 sq. ft.
Gross floor area	: approximately 94,771 sq.ft.
Net lettable area	: approximately 65,856 sq.ft.
Tenure	: Industrial leasehold for a period of 99 years, expiring on 23, January 2067.
Occupancy as at 30, June 2006	: 100.00%.

Lot 13B

Lot 13B is an Industrial Lot and constructed upon it is a 2½ storey car service centre, a guardhouse and a refuse chamber/store building. Lot 13B is currently occupied by Cycle & Carriage as their car servicing centre. Further details of Lot 13B are set out in the table below.

Property particulars	: Lot 13B, Jalan 225, Section 51A, 46100 Petaling Jaya, Selangor Darul Ehsan. (Held under title 4615 Lot 356 Town of Petaling Jaya, District of Petaling).
Land area	: 105,841 sq. ft.
Gross floor area	: approximately 121,210 sq.ft. (excluding guard house and refuse chamber).
Net lettable area	: approximately 107,151 sq.ft. (excluding guard house and refuse chamber).
Tenure	: Industrial leasehold for a period of 99 years, expiring on 8, June 2071.
Occupancy as at 30, June 2006	: 100.00%.

The property is currently leased to Cycle & Carriage Bintang Bhd for a period of six (6) years with an option to renew for a further six (6) years. The Initial Lease Term shall be six (6) years. The agreed annual rental for the first three (3) years of the Initial Lease Term shall be fixed at RM2,600,000.00 per year and for the remaining three (3) years of the Initial Lease Term, the annual rental shall be revised to be the lower of the Fair Market value rent or 110% of the agreed First Term rental, as the case may be, subject to the same not being lesser than the prevailing agreed rent for the First Term.

- Basis of the Wisma Bintang Purchase price.

The purchase consideration for Lot 13A & Lot 13B was arrived at and based on a willing-buyer, willing-seller basis after taking into account the total combined market value of Lot 13A & Lot 13B of RM36.0 million as appraised by Colliers, Jordan Lee & Jaafar Sdn Bhd (an independent firm of registered valuers) in its valuation report dated 8 May 2006. The valuation was arrived at using a combination of comparison and investment methods of valuation.

- Source of Funding

The Proposed Acquisition of Lot 13A & Lot 13B was funded by existing bank borrowings.

- Completion of Purchase

The purchase was completed on 30 June 2006 and Axis REIT took possession of the property on that date.

FUTURE ACQUISITIONS

In evaluating future acquisitions the Manager will continue its focus on the following areas:

- Yield enhancement acquisitions
- Evaluation of Tenants and occupancy
- Property enhancement opportunities
- Length of lease
- Portfolio rebalancing to reduce lease renewal risk
- Building specifications

INVESTMENTS OF THE TRUST

Total Investments as at 30 June 2006 was RM399,900,000

	RM '000	%
At valuation:		
Real Estate		
- Commercial & Office buildings and Warehouse/Workshop		
Axis Plaza	26,000	6.49
Axis Business Park	93,000	23.23
Crystal Plaza	65,000	16.24
Menara Axis	80,000	19.98
Infinite Centre	32,000	7.99
Kompleks Kemajuan	36,200	9.04
Axis North Port Logistic Centre 1	13,500	3.37
Kayangan Depot	18,200	4.55
Wisma Bintang	36,000	9.00
	399,900	99.89
At fair value		
Deposits with licensed banks	450	0.11
	400,350	100.00
Total	400,350	100.00

GEARING

DEBT FACILITIES

Axis-REIT has a RM95,000,000 secured facility comprising a RM40,000,000 Revolving Credit and a RM55,000,000 Overdraft Facility.

The Debt is short term in nature with a 12 month fixed rate for the Revolving Credit as well as for the Overdraft.

As at 30 June 2006, Axis-REIT has drawn down RM40,000,000 of the Revolving Credit Facility and utilized RM47,643,707 of the Overdraft Facility. The increase in the utilization of the Overdraft Facility was to finance the acquisition of Kayangan Depot and Wisma Bintang on 30 June 2006.

GEARING CAPACITY

As at 30 June 2006, Axis-REIT had a gearing ratio (external borrowings to total assets) of 21.79% (11.77% as at 31 December 2005), and had available credit facilities of RM7,356,293. There is capacity to borrow an additional RM45,792,750 before reaching the 35% limit permitted under the SC Guidelines on REITs*.

The Manager will be utilizing the available credit facilities to further pursue its acquisitions prior to a Unit Issue.

* As of 10 July 2006 the SC has published revised guidelines for REITs increasing the permitted gearing ratio to 50%.

UNITS IN ISSUE

The total number of units in issue of Axis-REIT is 205,901,000.

NET APPRECIATION ON FAIR VALUES OF INVESTMENT PROPERTIES

This is in respect to changes in accounting policies for Investment Properties for the annual accounting period beginning on 1 January 2006 (*FRS 140, Investment Properties*). The Manager is pleased to report that these changes have been reflected in the financial report for the period under review.

In the prior year, investment properties of Axis-REIT were stated at cost and no depreciation was provided on them. It is Axis-REIT's practice to appraise the value of the investment properties at least once every year by independent professional valuers based on open market value. Any valuation surpluses arising there from will be incorporated in the financial statements.

With effect from 1 January 2006, in accordance with FRS 140, investment properties are stated at fair value. Gain or loss arising from a change in the fair values of investment properties is recognized in income statement for the period in which it arises.

In accordance with the transitional provisions under FRS 140, an adjustment to the opening balance of retained profit for fair values of investment properties has been made.

The changes in accounting policies have the following impact on the opening balance of net asset value at 1 January 2006:

	UNITHOLDERS' CAPITAL RM'000	NON- DISTRIBUTABLE	DISTRIBUTABLE		SUB-TOTAL RM'000	TOTAL RM'000
		REVALUATION RESERVE RM'000	REALISED RM'000	UNREALISED RM'000		
Net assets as at 1 January 2006						
<i>As previously stated</i>	234,892	42,618	341	-	341	277,851
Prior period adjustment						
- FRS 140	-	(42,618)	-	42,618	42,618	-
<i>Restated balance</i>	234,892	-	341	42,618	42,959	277,851

NET ASSET VALUE ("NAV") OF AXIS-REIT

The NAV of Axis-REIT as at 30 June 2006 is RM1.392 per unit. In line with our listing requirements, the NAV has been posted weekly with Bursa Malaysia and published on their website.

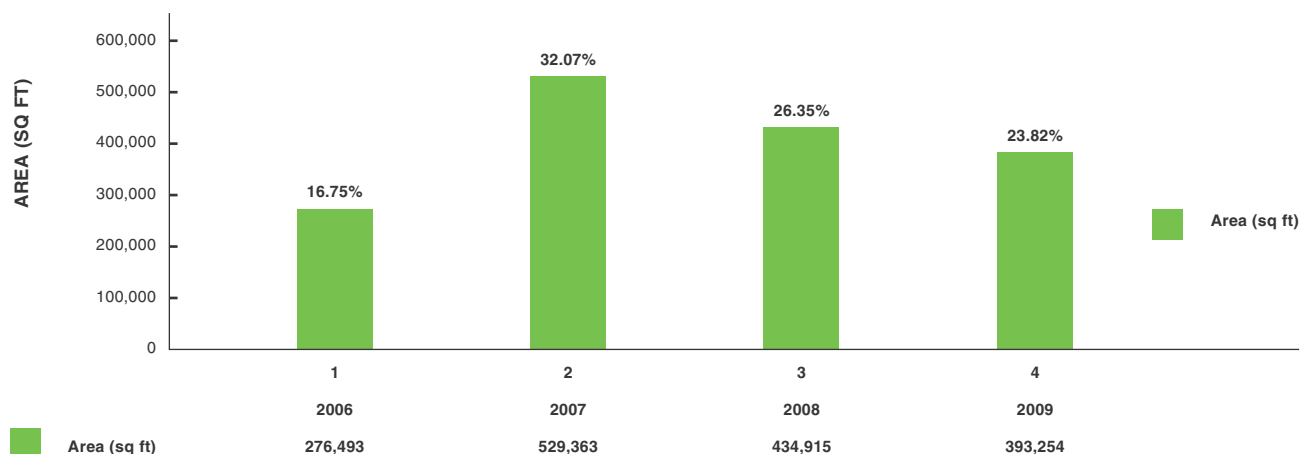
PROSPECTS

All the original properties in the Axis-REIT Portfolio continue to enjoy a high level of occupancy due to their strategic locations, excellent facilities and continuing tightening supply in the market.

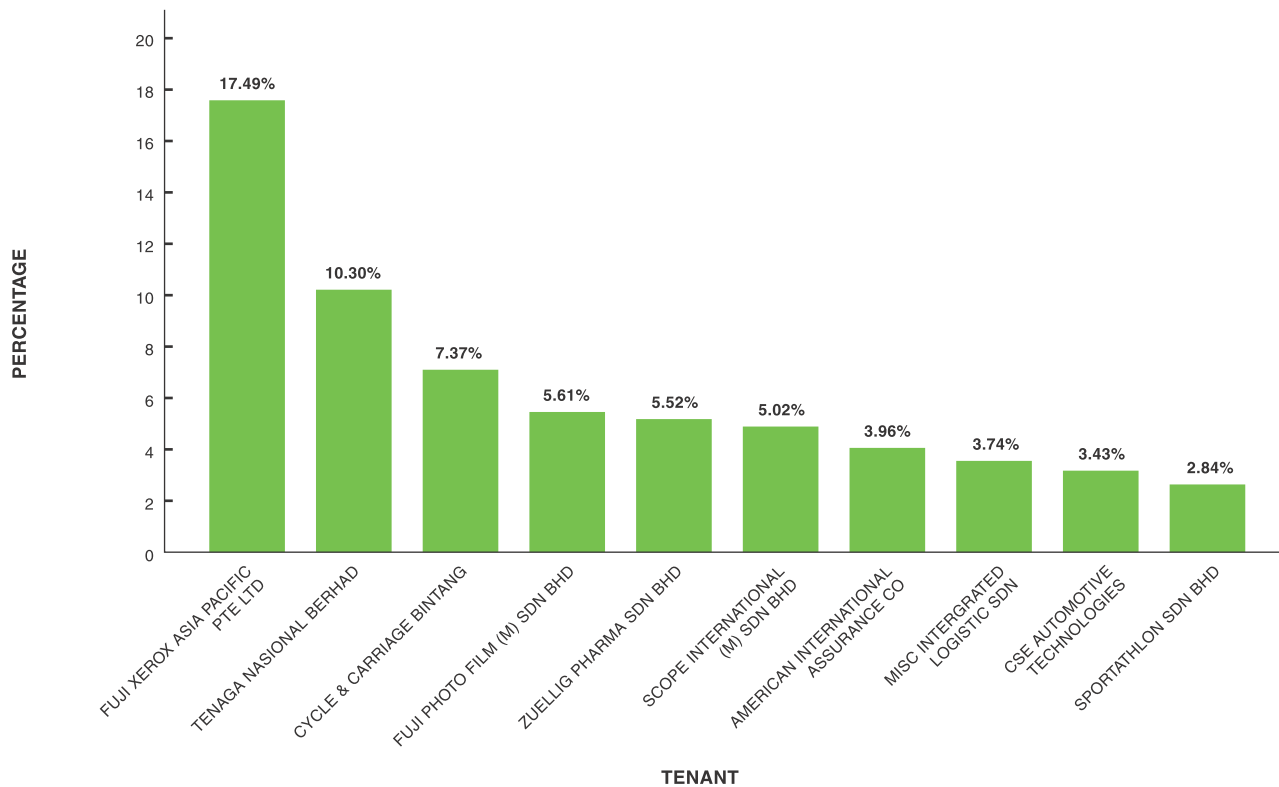
For the newly acquired properties, both Wisma Bintang and the Axis North Port Logistics Centre 1 enjoy full occupancy and have started contributing to the income of the Trust. As for Kompleks Kemajuan and Kayangan Depot, both properties will undergo extensive enhancements to improve the presentation of space and marketability of the same with higher rentals. Both continue to have good levels of occupancy, which should improve once the enhancements are completed.

The manager is stepping up the pace of acquisitions for the second half of 2006 with a view to taking advantage of the increase in gearing permitted by the Securities Commission.

LEASE EXPIRY



TOP TEN TENANTS BY GROSS RENTAL VALUE OF THE AXIS-REIT PORTFOLIO AS AT 30 JUNE 2006.



This concludes the Manager's Report.

For and on behalf of the Manager, Axis-REIT Managers Berhad, signed in accordance with a resolution of the Directors.

STEPHEN TEW PENG HWEE
Director

GEORGE STEWART LABROOY
Executive Director

Kuala Lumpur,

Date: 23 August 2006

Portfolio At A Glance



MENARA AXIS
No 2, Jalan 51A/223
46100 Petaling Jaya
Selangor D.E.



CRYSTAL PLAZA
No 4, Jalan 51A/223
46100 Petaling Jaya
Selangor D.E.



AXIS BUSINESS PARK
No 10, Jalan Bersatu 13/4
46200 Petaling Jaya
Selangor D.E.



INFINITE CENTRE
Lot 1, Jalan 13/6
46200 Petaling Jaya
Selangor D.E.



AXIS PLAZA
Lot 5, Jalan Penyair U1/44
Off Jalan Glenmarie
Temasya Industrial Park, Batu Tiga
40150 Shah Alam, Selangor D.E.



KOMPLEKS KEMAJUAN
Lot 24, Jalan 19/1
46300 Petaling Jaya
Selangor D.E.



KAYANGAN DEPOT
No 3, Jalan 15/16
Lot PT 16, Section 15
40200 Shah Alam, Selangor D.E.



**WISMA BINTANG
(CYCLE & CARRIAGE
BINTANG BHD HQ)**
Lot 13A & 13B
Jalan 225 Section 51A
46100 Petaling Jaya
Selangor D.E.



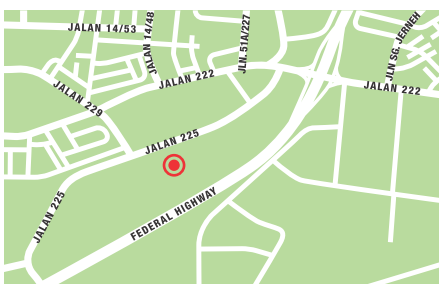
**AXIS NORTH PORT
LOGISTICS CENTRE 1**
Lot 24, Jalan Lebu 1
Kawasan Perusahaan
Bandar Sultan Sulaiman
Nort Porth, Pelabuhan Klang
Selangor D.E.



Property Portfolio - New Acquisitions Wisma Bintang



" We are pleased to have Wisma Bintang as part of the Axis-REIT portfolio. The property consisting of an office block and an excellent workshop has been refurbished, and strategically located near the Federal Highway ".



PROPERTY
WISMA BINTANG
(CYCLE & CARRIAGE
BINTANG BERHAD HQ)

ADDRESS
Lot 13A & Lot 13B
Jalan 225 Section 51A
46100 Petaling Jaya
Selangor Darul Ehsan

CATEGORY
Industrial

TITLE
Lot 13A
Leasehold Expiring
January 2067

Lot 13B
Leasehold Expiring
January 2071

AGE OF BUILDING
20 years

NET LETTABLE AREA
Lot 13A - 65,816 sq ft
Lot 13B - 107,151 sq ft

PURCHASE PRICE
RM 32,500,000

APPRAISED VALUE
RM 36,000,000

GROSS REVENUE
RM 2,600,000

AVERAGE OCCUPANCY
100%

NUMBER OF TENANTS
1

TENANTS
Cycle & Carriage
Bintang Berhad

Forming a near rectangle shape, Lot 13A & Lot 13B are two contiguous plots of leasehold industrial land in Petaling Jaya, which are strategically located near to the busy Federal Highway and fronts Jalan 225, Section 51A. Lot 13A, the Cycle & Carriage Bintang Berhad HQ, is a four storey showroom cum office space with a basement level, and a gross built-up area of approximately 94,771 sq ft. The Lot 13B property houses a 2 1/2 storey car service centre, a guard house and a refuse chamber/store building with a gross floor area of 121,210 sq ft (excluding guard house and refuse chamber).

Both these properties are currently 100% occupied by Cycle & Carriage Bintang Berhad and serves as their corporate headquarters and car service center. Cycle & Carriage Bintang Berhad has entered into a Lease Agreement with OSK Trustees to lease the property for a six year period with a six year option to renew.

Property Portfolio - New Acquisitions **Axis North Port Logistics Centre 1** 

" Axis North Port Logistics Centre 1 is a double storey office cum single storey warehouse building which is currently 100% occupied by MISC Integrated Logistics Sdn Bhd "



PROPERTY
AXIS NORTH PORT
LOGISTICS CENTRE 1

ADDRESS
Lot 24, Jalan Lebu 1
Kawasan Perusahaan
Bandar Sultan Sulaiman
North Port, Pelabuhan Klang
Selangor Darul Ehsan

CATEGORY
Office/Warehouse

TITLE
Industrial Leasehold

AGE OF BUILDING
13 years

NET LETTABLE AREA
130,000 sq ft

PURCHASE PRICE
RM 10,300,000

APPRAISED VALUE
RM 13,500,000

GROSS REVENUE
RM 1,320,000

AVERAGE OCCUPANCY
100%

NUMBER OF TENANTS
1

TENANTS
MISC Integrated
Logistic Sdn Bhd

Axis North Port Logistics Centre 1 is located at Lot 24, Jalan Lebu 1, Kawasan Perusahaan Sultan Sulaiman, North Port, Port Klang. The property features a double storey office cum single storey warehouse building with a gross built up area of approximately 149,248 sq ft and a net lettable area of 130,000 sq ft.

Axis North Port Logistics Centre is currently 100% occupied by MISC Integrated Logistics Sdn Bhd who has entered into a tenancy agreement commencing from January 1, 2006 till December 31, 2007 with an option to renew for a further three years. The annualized gross and net property income is RM 1,320,000 and RM 1,173,250 respectively.



Financial Statements

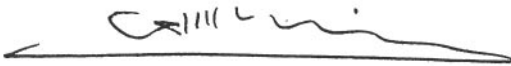
For the six-month period ended 30 June 2006

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Statement by the Manager

In the opinion of the Directors, the financial statements set out on pages 18 to 30 are drawn up in accordance with the provisions of the Deed dated 15 June 2005, Securities Commission's Guidelines on Real Estate Investment Trusts, applicable securities laws and applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of Axis Real Estate Investment Trust at 30 June 2006 and of the results of their operations and cash flows for the six months period ended on that date.

Signed on behalf of the Board
of Directors of the Manager



STEPHEN TEW PENG HWEE



GEORGE STEWART LABROOY

Kuala Lumpur,

Dated: 23 August 2006



Trustee Report

To the Unitholders of Axis Real Estate Investment Trust (Established in Malaysia)

We have acted as Trustee of **AXIS REAL ESTATE INVESTMENT TRUST** ("Axis-REIT") for the six (6) months financial period ended 30 June 2006. In our opinion, **AXIS REIT MANAGERS BERHAD** ("the Manager") has managed Axis-REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Deed dated 15 June 2005, other provisions of the Deed, the Securities Commission Act 1993, the applicable Guidelines on Real Estate Investment Trusts and other applicable laws during the six months financial period then ended.

We have also ensured the procedures and processes employed by the Manager to value and price the units of Axis-REIT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We confirm that the recommended interim net income distribution of 6.20 sen per unit for the six (6) months financial period ended 30 June 2006 is in line with and is reflective of the objectives of Axis-REIT.

For and on behalf of the Trustee,

OSK Trustees Berhad



Ong Eu Jin

Chief Operating Officer

Kuala Lumpur,

Date: 23 August 2006

Balance Sheet

As at 30 June 2006 (Unaudited)

	NOTE	30.6.2006 RM'000	AUDITED 31.12.2005 RM'000
Non-current assets			
Investment			
Investment properties	3	399,900	332,200
Deposits placed with licensed banks	4	450	4,350
		400,350	336,550
Deferred tax assets	5	26	-
		400,376	336,550
Current assets			
Trade and other receivables	6	1,839	2,799
Cash and bank balances	4	50	222
Tax recoverable		-	61
		1,889	3,082
Total Assets		402,265	339,632
Non current liabilities			
Trade and other payable	7	12,266	10,083
Current liabilities			
Trade and other payable	7	3,019	2,021
Borrowings	8	87,644	40,000
Provisions for income distribution	9	12,766	9,677
Taxation		40	-
		103,469	51,698
Total Liabilities		115,735	61,781
Net Asset Value		286,530	277,851
Financed by:			
Unitholders' funds			
Unitholders' capital	10	234,892	234,892
Undistributed income		51,638	42,959
		286,530	277,851
Units in circulation ('000)		205,901	205,901
Net Asset Value ("NAV") per unit (RM)			
- before income distribution		1.454	1.396
- after income distribution		1.392	1.349

The notes set out on pages 22 to 30 form an integral part of, and should be read in conjunction with, these financial statements.



Income Statement

For the six-month period ended 30 June 2006 (Unaudited)

	NOTE	1.1.2006 TO 30.6.2006 RM'000	AUDITED 3.8.2005 TO 31.12.2005 RM'000
Gross rental income	11	19,040	13,761
Property expenses	12	(3,738)	(2,300)
Net rental income		15,302	11,461
Interest income		34	328
Total income		15,336	11,789
Manager's fees		978	794
Trustee's fees		70	57
Auditor's fees		19	40
Tax agent's fees		5	10
Allowance for doubtful debts		94	-
Administrative expenses		122	98
Interest expense		911	738
Total expenditure		2,199	1,737
		13,137	10,052
Net appreciation on fair values of investment properties		8,422	-
Income before taxation		21,559	10,052
Tax expense	13	(114)	(34)
Net income for the period		21,445	10,018
Net income for the period is made up as follows:			
Realised		13,023	10,018
Unrealised		8,422	-
		21,445	10,018
Earnings per unit - (sen)	14	10.42	4.87
Earning per unit (before manager's fee)			
- Gross (sen)		10.95	5.27
- Net (sen)		10.89	5.25
Net income distribution			
Proposed final income distribution of 6.20 sen payable on 30 August 2006 (2005 - proposed final income distribution of 4.70 sen paid on 28 February 2006)	15	12,766	9,677
Interim income distribution per unit			
- Gross (sen)	15	6.20	-
- Net* (sen)	15	6.20	-
Final income distribution per unit			
- Gross (sen)	15	-	4.70
- Net* (sen)	15	-	4.70

* Withholding tax of 28% will be deducted for distributions made to non-resident Unitholders.

The notes set out on pages 22 to 30 form an integral part of, and should be read in conjunction with, these financial statements.

Statement of Changes in the Net Asset Value

For the six-month period ended 30 June 2006 (Unaudited)

	UNITHOLDERS' CAPITAL RM'000	NON DISTRIBUTABLE REVALUATION RESERVE RM'000	DISTRIBUTABLE UNDISTRIBUTED INCOME			TOTAL RM'000
			REALISED RM'000	UNREALISED RM'000	SUB-TOTAL RM'000	
Net assets as at 3 August 2005	-	-	-	-	-	-
Operations for the period from 3 August to 31 December 2005						
Net income for the period	-	-	10,018	-	10,018	10,018
Revaluation Reserve	-	42,618	-	-	-	42,618
Increase in net assets resulting from operations	-	42,618	10,018	-	10,018	52,636
Unitholders' transactions						
Creation of units	241,083	-	-	-	-	241,083
Distribution to Unitholders - Provision (Note 9)	-	-	(9,677)	-	(9,677)	(9,677)
Listing expenses (Note 16)	(6,191)	-	-	-	-	(6,191)
Decrease in net assets resulting from Unitholders' transactions	234,892	-	(9,677)	-	(9,677)	225,215
Net assets as at 31 December 2005	234,892	42,618	341	-	341	277,851
	(Note 10)					

	UNITHOLDERS' CAPITAL RM'000	NON DISTRIBUTABLE REVALUATION RESERVE RM'000	DISTRIBUTABLE UNDISTRIBUTED INCOME			TOTAL RM'000
			REALISED RM'000	UNREALISED RM'000	SUB-TOTAL RM'000	
Net assets as at 1 January 2006	234,892	42,618	341	-	341	277,851
Prior period adjustment - FRS 140 (Note 21)	-	(42,618)	-	42,618	42,618	-
Restated balance	234,892	-	341	42,618	42,959	277,851
Operations for the period ended 30 June 2006						
Net income for the period	-	-	13,023	8,422	21,445	21,445
Increase in net assets resulting from operations	-	-	13,023	8,422	21,445	21,445
Unitholders' transactions						
Distribution to Unitholders - Provision (Note 9)	-	-	(12,766)	-	(12,766)	(12,766)
Decrease in net assets resulting from Unitholders' transactions	-	-	(12,766)	-	(12,766)	(12,766)
Net assets as at 30 June 2006	234,892	-	598	51,040	51,638	286,530
	(Note 10)					

The notes set out on pages 22 to 30 form an integral part of, and should be read in conjunction with, these financial statements.



Cash Flow Statement

For the six-month period ended 30 June 2006 (Unaudited)

	1.1.2006 TO 30.6.2006 RM'000	AUDITED 3.8.2005 TO 31.12.2005 RM'000
Cash flows from operating activities		
Net income before taxation	21,559	10,052
Adjustments for:		
Interest expense	911	738
Interest income	(34)	(328)
Net appreciation on fair values of investment properties	(8,422)	-
	<hr/>	<hr/>
Operating income before working capital changes	14,014	10,462
(Increase)/Decrease in working capital:		
Trade and other receivables	960	(2,799)
Trade and other payables	3,181	12,104
	<hr/>	<hr/>
Cash generated from operating activities	18,155	19,767
Tax paid	(39)	(95)
	<hr/>	<hr/>
Net cash generated from operating activities	18,116	19,672

Cash flows from investing activities		
Interest received	34	328
Increase in pledged deposits placed with licensed banks	-	(450)
Purchase of investment properties	(59,728)	(182,082)
	<hr/>	<hr/>
Net cash used in investing activities	(59,244)	(182,082)

Cash flows from financing activities		
Interest paid	(911)	(738)
Listing expenses	-	(6,191)
Proceeds from issue of Units	-	133,583
Proceeds from borrowings	-	40,000
Distribution paid to unitholders	(9,677)	-
	<hr/>	<hr/>
Net cash (used in)/generated by financing activities	(10,588)	166,654

Net (decrease)/increase in cash and cash equivalents	(51,716)	4,122
Cash and cash equivalents at beginning of period	4,122	-
	<hr/>	<hr/>
Cash and cash equivalents at end of period*	(47,594)	4,122

* Cash and cash equivalents

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	1.1.2006 TO 30.6.2006 RM'000	AUDITED 3.8.2005 TO 31.12.2005 RM'000
Cash and bank balances		
Deposits with licensed bank (excluding deposits pledged)	50	222
Bank overdraft	-	3,900
	<hr/>	<hr/>
	(47,594)	4,122

The notes set out on pages 22 to 30 form an integral part of, and should be read in conjunction with, these financial statements.

Notes to the Financial Statements

These notes form an integral part of the financial statements. The financial statements were approved and authorised for use by the Directors of the Manager on 23 August 2006.

1. GENERAL

Axis Real Estate Investment Trust ("Axis-REIT") is a Malaysia-domiciled real estate investment trust constituted pursuant to Deed dated 15 June 2005 (the "Deed") between Axis REIT Managers Berhad (the "Manager") and OSK Trustees Berhad (the "Trustee"). The Deed is regulated by the Securities Commission Act, 1993, the Securities Commission's Guidelines on Real Estate Investment Trusts, the Listing Requirement of Bursa Malaysia Securities Berhad, the Rules of the Depository and taxation laws and rulings.

Axis-REIT was formally admitted to the Main Board of Bursa Malaysia Securities Berhad on 3 August 2005.

The principal activity of Axis-REIT is to invest in a diverse portfolio of properties with the primary objective of achieving an attractive level of return from rental income and for long-term capital growth.

Axis-REIT has entered into several service agreements in relation to the management of Axis-REIT and its property operations. The fee structure of these services is as follows:

(a) Property management fees

The Property Manager, Axis Management Sdn Bhd, is entitled to a property management fee in respect of the management of the investment properties owned by Axis-REIT as provided in the Deed. The fee is determined by a graduated scale based on the gross annual rental income as provided in the provisions of the revised Valuers, Appraisers and Estate Agents Act, 1981 as required by the Securities Commission's Guidelines on Real Estate Investment Trusts. The property management fees are payable monthly in arrears.

(b) Manager's fees

Pursuant to the Deed, the Manager is entitled to receive a fee of up to a maximum of 1.00% (2005: 1.00%) per annum of the Net Asset Value of Axis-REIT, calculated based on the monthly accrual basis and payable monthly in arrears. The Manager's fees for six months ended 30 June 2006 of RM978,272 (2005: RM794,177) is 0.70% (2005: 0.70%) of the monthly net asset value.

(c) Trustee's fees

Pursuant to the Deed, the Trustee is entitled to receive a fee of 0.05% (2005: 0.05%) per annum of the Net Asset Value of Axis-REIT calculated on a monthly accrual basis and payable monthly in arrears. The trustee's fees for six months ended 30 June 2006 is RM 69,682 (2005: RM 56,727)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable Financial Reporting Standards including related Interpretations promulgated by the Malaysia Accounting Standards Board ("MASB").

The following accounting policies are adopted by Axis-REIT and are consistent with those adopted in previous period except for the adoption of the following:

- FRS 101 Presentation of Financial Statements
- FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors
- FRS 110 Events After the Balance Sheet Date
- FRS 132 Financial Instruments: Disclosure and Presentation
- FRS 133 Earnings Per Share
- FRS 136 Impairment of Assets
- FRS 140 Investment Property

In addition to the new policies and extended disclosures where required by these new Standards, the effects of the changes in the above accounting policies are disclosed in Note 21 to these financial statements.

(a) Basis of accounting

The financial statements of Axis-REIT are prepared in Malaysian Ringgit and rounded to the nearest thousand, unless otherwise stated. They are prepared on the historical cost basis except as disclosed in the notes to the financial statements and in compliance with the provisions of the Deed, Securities Commission's Guidelines on Real Estate Investment Trust and Securities Commission Act 1993.

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

(b) Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation company, having an appropriate recognized professional qualification and recent experience in the location and category of property being valued, values the portfolio every year.

Any gain or loss arising from a change in fair value is recognized in the income statement for the period in which it arises. Rental income from investment property is accounted for as described in Note 2 (i).

In prior period, investment properties are stated at cost and no depreciation is provided on investment properties. It is Axis-REIT's practice to appraise the investment properties at least once every year, by independent professional valuers based on open market value. Any surplus arising there from will be incorporated in the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

c) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses for bad and doubtful debts.

(d) Cash and cash equivalents

Cash and cash equivalents consists of cash in hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(e) Liabilities

Borrowings and trade and other payables are stated at cost.

(f) Provisions

A provision is recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation (legal or constructive) as a result of a past event and a reliable estimate can be made of the amount.

Provisions for Income Distribution

Provisions for income distribution is recognised when any distribution declared, determined or publicly recommended by the Directors of the Manager and approved by the Trustee but not distributed at the Balance Sheet date.

(g) Impairment

The carrying amount of the assets (other than investment properties and deferred tax assets) are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognized in the income statement, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to equity.

The recoverable amount is the greater of the asset's net selling price and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. The reversal is recognised in the income statement, unless it reverses an impairment loss on a revalued asset, in which case it is taken to equity.

(h) Income tax

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for the initial recognition of assets or liabilities that at the time of the transaction affects neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

(i) Revenue

i) Rental income

Rental income consists of rental income from letting of lots, car park and other associated income, is recognised on a straight-line basis over the term of rent.

ii) Interest income

Interest income is recognised in the income statement as it accrues, taking into account the effective yield on the asset.

(j) Expenses

i) Property expenses

Property expenses consist of property management fees, quit rents and assessment, and other property outgoings in relation to investment properties where such expenses are the responsibility of the Trust.

Property management fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.

ii) Manager's fees

Manager's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.

iii) Trustee's fees

Trustee's fees are recognised on an accrual basis using the applicable formula, stipulated in Note 1.

iv) Interest expense

All interest and other costs incurred in connection with borrowings are expensed as incurred.

3. INVESTMENT PROPERTIES

DESCRIPTION OF PROPERTY	TENURE OF LAND	TERM OF LEASE YEAR	REMAINING TERM OF LEASE YEAR	EXISTING USE	OCCUPANCY RATES AS AT 31 JUNE 2006 %	FAIR VALUE AS AT 30 JUNE 2006 RM'000	ACQUISITION COST RM'000	PERCENTAGE OF VALUATION TO NET ASSET VALUE AS AT 30 JUNE 2006 %
Axis Plaza *	Freehold	-	-	Office & Warehouse	93	26,000	22,500	9.1
Axis Business Park **	Leasehold	99	54	Office & Warehouse	100	93,000	84,600	32.5
Crystal Plaza *	Leasehold	99	53	Petaling Jaya	100	65,000	56,400	22.7
Infinite Centre *	Leasehold	99	59	Petaling Jaya	92	32,000	25,450	11.2
Kompleks Kemajuan **	Leasehold	99	59	Office & Warehouse	71	36,200	29,192	12.6
Menara Axis **	Leasehold	99	59	Petaling Jaya	100	80,000	71,440	27.9
Axis Logistic Centre 1 ***@	Leasehold	99	99	Warehouse	100	13,500	10,373	4.7
Kayangan Depot ^	Leasehold	99	80	Office Warehouse	100	18,200	16,224	6.4
Wisma Bintang ^^##	Leasehold	99	61/65	Office & Workshop	100	36,000	32,680	12.6
						399,900	348,859	

Investment properties

* The properties were valued on 24 June 2005 by Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers using the comparison, the cost and the investment methods of valuation.
 ** The property was valued on 22 November 2005 by C H Williams Talhar & Wong Sdn. Bhd., an independent firm of professional valuers using the comparison and investment methods of valuation.
 *** The properties were valued on 2 March 2006 by Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers using the comparison, the cost and the investment methods of valuation.
 ^ The properties were valued on 15 November 2005 by Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers using the comparison, the cost and the investment methods of valuation.
 ^^ These two (2) properties are charged to financial institutions for banking facilities granted to Axis-REIT (see note 8)
 @ This property acquired still await the issuance of a title is located at North Port, Klang.
 ## This property is sited on two (2) titles, Lot No. 20 is leasehold for a period of 99 years, expiring on January 23, 2067 and Lot No. 358 is leasehold for a period of 99 years, expiring on June 8, 2071.

DESCRIPTION OF PROPERTY	TENURE OF LAND	TERM OF LEASE YEAR	REMAINING TERM OF LEASE YEAR	EXISTING USE	OCCUPANCY RATES AS AT 31 DECEMBER 2005 %	FAIR VALUE AS AT 31 DECEMBER 2005 RM'000	ACQUISITION COST RM'000	PERCENTAGE OF VALUATION TO NET ASSET VALUE AS AT 31 DECEMBER 2005 %
Axis Business Park **	Leasehold	99	55	Office & Warehouse	100	93,000	84,600	33.5
Axis Plaza *	Freehold	-	-	Office & Warehouse	93.4	26,000	22,500	9.3
Crystal Plaza *	Leasehold	99	54	Shah Alam	100	65,000	56,400	23.4
Infinite Centre *	Leasehold	99	60	Office & Warehouse	100	32,000	25,450	11.5
Kompleks Kemajuan **	Leasehold	99	60	Office & Warehouse	72.8	36,200	29,192	3.0
Menara Axis **	Leasehold	99	60	Petaling Jaya	100	80,000	71,440	28.8
						332,200	289,582	

Investment properties

* The properties were valued on 24 June 2005 by Colliers, Jordan Lee & Jaafar Sdn. Bhd., an independent firm of professional valuers using the comparison, the cost and the investment methods of valuation.
 ** The property was valued on 22 November 2005 by C H Williams Talhar & Wong Sdn. Bhd., an independent firm of professional valuers using the comparison and investment methods of valuation.
 # The properties are charged to financial institution for banking facilities granted to Axis-REIT (see Note 8).

4. CASH AND BANK BALANCES

	30.6.2006 RM'000	31.12.2005 RM'000
Deposits placed with licensed banks*	450	4,350
Cash and bank balances	50	222
<i>* Included in fixed deposits is RM 450,000 (2005: RM 450,000) pledged for banking facilities granted to Axis-REIT (Note 8)</i>	500	4,572

5. DEFERRED TAX ASSETS

	30.6.2006 RM'000	31.12.2005 RM'000
Deferred tax assets	26	-
The recognized deferred tax assets and liabilities are as follows:		
	30.6.2006 RM'000	31.12.2005 RM'000
Deductible temporary differences	26	-

6. TRADE AND OTHER RECEIVABLES

	30.6.2006 RM'000	31.12.2005 RM'000
Trade receivables	711	938
Other receivables, deposits and prepayments	1,128	183
Deposits and professional fees paid for the purchase of a property	-	1,678
	1,839	2,799

7. TRADE AND OTHER PAYABLES

	30.6.2006 RM'000	31.12.2005 RM'000
Non-Current		
Trade payables	12,266	10,083
Current		
Trade payables	896	169
Other payables and accrued expenses	1,337	899
Tenants deposits	786	953
	3,019	2,021
Total	15,285	12,104

Included in other payable and accrued expenses is amount due to the Manager and the Trustee of RM175,175 (2005: RM169,503) and RM11,722 (2005: RM11,531) respectively which are unsecured, interest free and payable monthly in arrears.

8. BORROWINGS

	30.6.2006 RM'000	31.12.2005 RM'000
Revolving credit - secured	40,000	40,000
Bank overdraft - secured	47,644	-
	87,644	40,000

The revolving credit and bank overdraft are secured by way of fixed charges over leasehold lands and buildings (Note 3) and deposits with licensed banks (Note 4). Revolving credit is subject to interest rate ranging from 4.40% to 4.45% (2005: 4.40% to 4.45%) per annum and bank overdraft is subject to interest rate of 4.45% (2005: nil) per annum.

Terms and debt repayment schedule

	2006		2005	
	TOTAL RM'000	WITHIN 1 YEAR RM'000	TOTAL RM'000	WITHIN 1 YEAR RM'000
Revolving credit	40,000	40,000	40,000	40,000
Bank overdraft	47,644	47,644	-	-
	87,644	87,644	40,000	40,000

9. PROVISION FOR INCOME DISTRIBUTION

	30.6.2006 RM'000	31.12.2005 RM'000
At beginning of period	9,677	-
Provision made during the period	12,766	9,677
Distribution paid	(9,677)	-
	<hr/>	<hr/>
At end of period	12,766	9,677
	<hr/>	<hr/>

10. UNITHOLDERS' CAPITAL

	30.6.2006 RM'000	31.12.2005 RM'000
At beginning of period/ date of inception	234,892	-
Issue of new Units:		
- 107,501,000 Units @ RM1.00	-	107,501
- 17,000,000 Units @ RM1.25	-	21,250
- 81,400,000 Units @ RM1.38	-	112,332
Listing expenses (Note 16)	-	(6,191)
	<hr/>	<hr/>
At end of period	234,892	234,892
	<hr/>	<hr/>

As at 30 June 2006, the Manager did not hold any Units in Axis-REIT. However, the Directors of the Manager and related parties held Units in Axis-REIT as follows:

	30 JUNE 2006 NUMBER OF UNITS '000	MARKET VALUE RM'000
The Manager's Directors' Direct Unitholdings in Axis-REIT:		
Dato' Abas Carl Gunnar bin Abdullah	149	255
Stephen Tew Peng Hwee	70	120
Alex Lee Lao	200	344
Dato' Abdul Azim Mohd Zabidi	200	344
Dato' Mohamed Salleh Bajuri	150	258
The Manager's Directors' Indirect Unitholdings in Axis-REIT:		
Dato' Abas Carl Gunnar bin Abdullah*	34,050	58,566
Dato Mohamed Salleh Bajuri**	400	688
Lim Kian Thiam***	97,235	167,244
Stephen Tew Peng Hwee****	97,235	167,244
The Substantial Unitholders' Direct Unitholdings in Axis-REIT:		
Baiduri Kemas Sdn. Bhd.	34,050	58,866
Crystal Properties Sdn. Bhd.	27,750	47,730
Prestigious Landmarks Sdn. Bhd.	28,520	49,054
The Manager's related parties' Direct Unitholdings in Axis-REIT:		
Paridah binti Mohd Nor (spouse of Dato' Mohamed Salleh Bajuri)	100	172
Irda Nurhidayah binti Mohamed Salleh (daughter of Dato' Mohamed Salleh Bajuri)	50	86
Irda Suriana binti Mohamed Salleh (daughter of Dato' Mohamed Salleh Bajuri)	50	86
Infinite Centre Sdn. Bhd.	6,915	11,894
PAMS Holdings Sdn. Bhd.	150	258
PAMS Corporation Sdn. Bhd.	50	86

Notes:

* Deemed interested by virtue of his shareholdings in Axis Equities Sdn. Bhd.^

** Deemed interested by virtue of his shareholdings in PAMS Holdings Sdn. Bhd., PAMS Corporation Sdn. Bhd. and interests held by his spouse and daughters

*** Deemed interested by virtue of his shareholdings in Axis Equities Sdn. Bhd.^, Pet Resins (M) Sdn. Bhd.^, Salperton Holdings Sdn. Bhd.^ and Infinite Centre Sdn. Bhd.

**** Deemed interested by virtue of his shareholdings in Pet Resins (M) Sdn. Bhd.^, Salperton Holdings Sdn. Bhd.^ and Infinite Centre Sdn. Bhd.

^ Axis Equities Sdn. Bhd. and Pet Resins Sdn. Bhd. are the ultimate substantial shareholders of Baiduri Kemas Sdn. Bhd.

^^ Salperton Holdings Sdn. Bhd. is the holding company of Crystal Properties Sdn. Bhd. and Prestigious Landmarks Sdn. Bhd.

The market value of the Units was determined by multiplying the number of Units with the market price of RM1.72 as at 30 June 2006.

11. GROSS RENTAL INCOME

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Rental income	17,182	12,320
Car park income	1,261	1,007
Other income	597	434
	<u>19,040</u>	<u>13,761</u>

12. PROPERTY EXPENSES

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Assessment	509	333
Service contracts and maintenance	1,467	547
Property management fees	458	320
Property management reimbursements	187	133
Utilities	825	530
Others	292	437
	<u>3,738</u>	<u>2,300</u>

13. TAX EXPENSE

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Current tax expense		
- Current	140	34
Deferred tax expense		
- Origination and reversal of temporary differences	(26)	-
	<u>114</u>	<u>34</u>

Reconciliation of effective tax rate

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Profit before taxation	21,559	10,052
Income tax using Malaysian tax rate	6,037	2,815
Non-deductible expenses	19	16
Effect of tax exempt income	(2,368)	(87)
Effect of income distribution exempted from tax	(3,574)	(2,710)
Tax expence	<u>114</u>	<u>34</u>

14. EARNINGS PER UNIT

The calculation of earnings per Unit is based on the net income for the six months period of RM21,446,185 (2005: RM10,018,111) to the number of units in circulation during the period of 205,901,000 (2005: 205,901,000).

15. DISTRIBUTION TO UNITHOLDERS

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Gross rental income	18,703	11,395
Interest income - non-tax exempt	-	19
	<hr/>	<hr/>
	18,703	11,414
Less: Expenses	(5,937)	(1,737)
	<hr/>	<hr/>
	12,766	9,677

Provision for distribution to Unitholders - 97.2%	12,766	9,677

Gross provision for distribution per unit (sen)	6.20	4.70

Net provision for distribution per unit (sen)	6.20	4.70

16. LISTING EXPENSES

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Brokerage and commissions	-	3,124
Professional fees	-	1,784
Miscellaneous expenses	-	1,283
	<hr/>	<hr/>
	-	6,191

17. PORTFOLIO TURNOVER RATIO

	1.1.2006 TO 30.6.2006	3.8.2005 TO 31.12.2005
Portfolio Turnover Ratio ("PTR") (times)	0.11	0.53

The calculation of Portfolio Turnover Ratio ("PTR") is based on the average of total acquisitions and total disposals of investments in Axis-REIT for the six months period to the average net asset value during the period calculated on a weekly basis.

18. MANAGEMENT EXPENSE RATIO

	1.1.2006 TO 30.6.2006	3.8.2005 TO 31.12.2005
Management expense ratio ("MER") (%)	0.92	0.88

The calculation of the MER is based on the total fees of Axis-REIT incurred, including Manager's fees, Trustee's fees, audit fees, tax agent's fees and administrative expenses and provision for doubtful debts, to the average net asset value during the period. Since the net asset value is calculated on a weekly basis, comparison of the MER of Axis-REIT with other real estate investment trusts which uses different basis of calculation may not be an accurate comparison.

19. SIGNIFICANT RELATED PARTY TRANSACTIONS

	1.1.2006 TO 30.6.2006 RM'000	3.8.2005 TO 31.12.2005 RM'000
Property management fees paid/payable to Property Manager	-	98
Acquisition cost of a property payable to a related company of the Directors of the Manager	27	47
Tenancy agency commission	8	-

These transactions have been entered into in the normal course of business and have been established under negotiated terms.

20. FINANCIAL INSTRUMENTS

Financial risks management objectives and policies

Exposure to credit, interest rate and liquidity risk arises in the normal course of Axis-REIT's business. Axis-REIT has written risk management policies and guidelines which sets out their overall business strategies and its general risk management philosophy.

Credit risk

At balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of financial asset.

Interest rate risk

Axis-REIT's exposure to changes in interest rates relates primarily to interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates.

Liquidity risk

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate by management to finance the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission's Guidelines on Real Estate Investment Trusts concerning limits on total borrowings.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they mature:

	EFFECTIVE INTEREST RATE %	TOTAL RM'000	2006		
			WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	AFTER 5 YEARS RM'000
Financial assets					
Deposits with licensed banks	2% - 3.7%	450	450	-	-
Financial liabilities					
Revolving credit	4.40% - 4.45%	40,000	40,000	-	-
Bank Overdraft	4.45%	47,644	47,644	-	-

	EFFECTIVE INTEREST RATE %	TOTAL RM'000	2005		
			WITHIN 1 YEAR RM'000	1 - 5 YEARS RM'000	AFTER 5 YEARS RM'000
Financial assets					
Deposits with licensed banks	2% - 3.7%	4,350	4,350	-	-
Financial liabilities					
Revolving credit	4.40% - 4.45%	40,000	40,000	-	-

Recognised financial instruments

In respect of cash and cash equivalents, trade and other receivables, trade and other payables and short term borrowings, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

21. CHANGES IN ACCOUNTING POLICIES

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the period ended 30 June 2006.

The changes in accounting policies arising from the adoption of FRS 140, investment properties are summarized below.

FRS 140, Investment Properties

In accordance with FRS 140, investment properties, any gain or loss arising from a change in the fair values is recognized in income statement for the period in which it arises. Previously, only the surpluses were recognized as revaluation reserve in the financial statements of the Company.

The adoption of FRS 140 has resulted in a net appreciation on fair values of investment properties of RM8,422,000 being recognized in the income statement for the period ended 30 June 2006 and a reclassification of RM42,618,000 from revaluation reserves to undistributed income on 1 January 2006.

The changes in accounting policies have the following impact on the opening balance of net asset value at 1 January 2006:

	UNITHOLDERS' CAPITAL RM'000	NON- DISTRIBUTABLE REVALUATION RESERVE RM'000	REALISED RM'000	DISTRIBUTABLE UNDISTRIBUTED INCOME UNREALISED RM'000	SUB-TOTAL RM'000	TOTAL RM'000
Net assets as at 1 January 2006						
<i>As previously stated</i>	234,892	42,618	341	-	341	277,851
Prior period adjustment						
- FRS 140	-	(42,618)	-	42,618	42,618	-
<i>Restated balance</i>	234,892	-	341	42,618	42,959	277,851

22. COMPARATIVE FIGURES

Comparative figures in the financial statements have been changed as a result of the changes in accounting policies as disclosed in Note 21.

23. SUBSEQUENT EVENTS

Effective 1 July 2006, the Manager of Axis-REIT has increased its manager's fee from 0.70% to 1.00% per annum based on the Net asset Value of the Fund, payable in arrears.



Unitholders' Statistics

ANALYSIS OF UNITHOLDINGS AS AT 30 JUNE 2006

ANALYSIS OF UNITHOLDINGS

SIZE OF HOLDINGS	NUMBER OF UNITHOLDERS	%	NUMBER OF UNITS HELD	%
1 - 99	1	0.10	50	0.00
100 - 1,000	272	26.31	238,250	0.12
1,001 - 10,000	496	47.97	2,245,000	1.09
10,001 - 100,000	142	13.73	5,081,900	2.47
100,001 - 1,0295,049 *	120	11.60	108,015,800	52.46
1,0295,050 and above **	3	0.29	90,320,000	43.87
TOTAL	1,034	100.00	205,901,000	100.00

* less than 5% of total issued units

** 5% and above of total issued units

TOP 30 UNITHOLDERS AS AT 30 JUNE 2006

As per Record of Depositors

RANKING	UNITHOLDER	NO. OF UNITS	% OF TOTAL ISSUED UNITS
1.	Baiduri Kemas Sdn Bhd	34,050,000	16.54
2.	Prestigious Landmarks Sdn Bhd	28,520,000	13.85
3.	Crystal Properties Sdn Bhd	27,750,000	13.48
4.	Amanah Raya Nominees (Tempatan) Sdn Bhd Amanah Saham Wawasan 2020	7,280,600	3.54
5.	Employees Provident Fund Board	7,219,900	3.51
6.	Infinite Centre Sdn Bhd	6,915,000	3.36
7.	Citigroup Nominees (Asing) Sdn Bhd Exempt an for American International Assurance Company Limited	6,453,000	3.13
8.	Cartaban Nominees (Tempatan) Sdn Bhd Exempt an for Amanah SSCM Nominees (Tempatan) Sdn Bhd (Account 1)	5,646,500	2.74
9.	HSBC Nominees (Tempatan) Sdn Bhd Nomura Asset Mgmt SG for Employees Provident Fund	5,225,000	2.54
10.	Cartaban Nominees (Asing) Sdn Bhd LBIE for Lehman Brothers International Europe (LBPB)	3,085,700	1.50
11.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Prudential Equity Income Fund (4801)	3,000,000	1.46
12.	Asia Life (M) Berhad As Beneficial Owner (PF)	2,866,000	1.39

TOP 30 UNITHOLDERS AS AT 30 JUNE 2006 *(continued)*

As per Record of Depositors

RANKING	UNITHOLDER	NO. OF UNITS	% OF TOTAL ISSUED UNITS
13.	SBB Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	2,803,000	1.36
14.	Universal Trustee (Malaysia) Berhad SBB Equity Income Fund	2,680,000	1.30
15.	AMMB Nominees (Tempatan) Sdn Bhd AmTrustee Berhad for Pacific Pearl Fund (5/1-9)	2,116,300	1.03
16.	Valuecap Sdn Bhd	2,020,000	0.98
17.	Malaysia Nominees (Tempatan) Sendirian Berhad Great Eastern Life Assurance (Malaysia) Berhad (LGF)	1,895,000	0.92
18.	Permodalan Nasional Berhad	1,861,000	0.90
19.	SBB Nominees (Tempatan) Sdn Bhd Kumpulan Wang Amanah Pencen	1,786,300	0.87
20.	Allianz Life Insurance Malaysia Berhad	1,670,400	0.81
21.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt an for Prudential Assurance Malaysia Bhd	1,577,800	0.77
22.	Citigroup Nominees (Tempatan) Sdn Bhd ING Insurance Berhad (INV-IL PAR)	1,470,100	0.71
23.	Mayban Nominees (Tempatan) Sdn Bhd Mayban Trustees Berhad for Avenue Tacticalextra Fund (250082)	1,350,000	0.66
24.	CMREF 1 Sdn Bhd	1,275,100	0.62
25.	Malaysian Assurance Alliance Berhad As beneficial owner (growth fund)	1,200,000	0.58
26.	MCIS Zurich Insurance Berhad	1,105,000	0.54
27.	Mayban Nominees (Tempatan) Sdn Bhd Hwang-DBS Investment Management Bhd for PanGlobal Insurance Berhad (220019)	1,100,000	0.53
28.	Amanah Raya Nominees (Tempatan) Sdn Bhd Kumpulan Wang Am	1,052,000	0.51
29.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Hwang-DBS Select Income Fund (4850)	1,037,300	0.50
30.	AMMB Nominees (Tempatan) Sdn Bhd Amtrustee Berhad for HLG Dividend Fund (HLGDF)	1,000,000	0.49



Glossary

ADSB	: Axis Development Sdn Bhd (Company No. 255676-V), being the holding company of the Manager
Axis-REIT / the Trust	: Axis Real Estate Investment Trust
Bursa Securities / the Exchange	: Bursa Malaysia Securities Berhad (Company No. 635998-W)
Deed	: The deed dated 15th June 2005 constituting Axis-REIT executed between the Trustee and the Manager
DPU	: Distribution per Unit
GAV	: Gross Asset Value
Gross Revenue	: Gross rental income and other income earned from the properties including license fees, car park income, utilities and miscellaneous income
MER	: Management expenses ratio
Manager	: Axis REIT Managers Berhad (Company No. 649450-W), being the management company of Axis-REIT
NAV	: Net asset value
NTA	: Net tangible assets
Net Lettable Area	: Consists of the total gross floor area less the common areas, such as corridors, amenities area and management offices of the building
OMV	: Open market value
PTR	: Portfolio Turnover Ratio
Property Management Company	: Axis Management Sdn Bhd (Company No. 391004-P)
REIT(s)	: Real estate investment trust(s)
RM and sen	: Ringgit Malaysia and sen, respectively
Revaluation Reserve	: The difference between the valuation of a property, as determined by a registered valuer, and the actual price paid REIT.
SC	: Securities Commission
SCA	: Securities Commission Act, 1993
SC Guidelines on REITs	: Guidelines on Real Estate Investment Trusts issued by the SC on 3 January 2005
Sq. ft.	: Square feet
Sqm	: Square metres
Symphony Share Registrars	: Symphony Share Registrars Sdn Bhd (Company No. 378993-D)
Trustee	: OSK Trustees Berhad (Company No. 573019-U) being the Trustee of Axis-REIT
Unit(s)	: Undivided interest(s) in Axis-REIT as constituted by the Deed
Unitholder(s)	: Holder(s) of the Units

Corporate Directory

MANAGER

Axis REIT Managers Berhad

Manager's Principal Place of Business

Suite 6.04 Penthouse
Wisma Academy
4A Jalan 19/1
46300 Petaling Jaya
Selangor Darul Ehsan
Tel : 03-7958 4882
Fax : 03-7957 6881

Manager's Registered Office

Suite 11.1A Level 11
Menara Weld
76 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2031 1988
Fax : 03-2031 9788

BOARD OF DIRECTORS OF THE MANAGER

Dato' Abdul Azim Mohd Zabidi
Independent Non-Executive Chairman

George Stewart LaBrooy
Executive Director

Dato' Abas Carl Gunnar bin Abdullah
Non-Independent Non-Executive Director

Lim Kian Thiam
Non-Independent Non-Executive Director

Stephen Tew Peng Hwee
Non-Independent Non-Executive Director

Dato' Mohamed Salleh Bajuri
Independent Non-Executive Director

Alex Lee Lao
Alternate to Dato' Abas Carl Gunnar bin Abdullah

Khoo Cheang Ee
Alternate to Lim Kian Thiam

AUDIT COMMITTEE

Dato' Abdul Azim Mohd Zabidi (Chairman)
Dato' Mohamed Salleh Bajuri
Lim Kian Thiam

EXECUTIVE COMMITTEE

George Stewart LaBrooy
Lim Kian Thiam
Stephen Tew Peng Hwee
Dato' Abas Carl Gunnar bin Abdullah

NOMINATION AND REMUNERATION COMMITTEE

Dato' Abdul Azim Mohd Zabidi (*Chairman*)
Dato' Mohamed Salleh Bajuri
Dato' Abas Carl Gunnar bin Abdullah

COMPANY SECRETARY OF THE MANAGER

Yeoh Chong Keat
(*Membership number: MIA2736*)
Rebecca Leong Siew Kwan
(*Membership number: MAICSA 7045547*)

PROPERTY MANAGEMENT COMPANY

Axis Management Sdn Bhd
Wisma MINC
36 Jalan Datuk Sulaiman
Taman Tun Dr. Ismail
60000 Kuala Lumpur

TRUSTEE

OSK Trustees Berhad
6th Floor Plaza OSK
Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2333 8333
Fax : 03-2175 3288
Email : OSK_Trustees@osk.com.my
Website : www.osktrustees.com.my

PRINCIPAL BANKERS OF THE FUND

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3rd Floor Menara Maybank
100 Jalan Tun Perak
50050 Kuala Lumpur

Bumiputra-Commerce Bank Berhad
1401B Tingkat 14
Menara Choy Fook On
Jalan Yong Shook Lin
46050 Petaling Jaya
Selangor Darul Ehsan

AUDITORS

KPMG
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

TAX AGENTS

KPMG Tax Services Sdn Bhd
Wisma KPMG
Jalan Dungun
Damansara Heights
50490 Kuala Lumpur

REGISTRAR

Symphony Share Registrars Sdn Bhd
Level 26 Menara Multi-Purpose
Capital Square
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50100 Kuala Lumpur
Tel : 03-2721 2222
Email : ssrs@symphony.com.my
Website : www.symphony.com.my

BURSA MALAYSIA STOCK NUMBER

AXREIT 5106



AXIS REIT MANAGERS BERHAD

(Company Number 649450-W)
(Incorporated in Malaysia under the Companies Act, 1965)

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