

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31.12.2014 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR ENDED 31.12.2013 RM'000
ASSETS		
Non-Current Assets		
Investment properties	1,982,587	1,543,248
Fixed assets	2,821	2,407
Total Non-Current Assets	1,985,408	1,545,655
Current Assets		
Receivables, deposits and prepayments	10,224	4,045
Islamic deposits placed with licensed banks	80,294	24,206
Cash and cash equivalents	9,822	10,617
	100,340	38,868
Asset classified as held for sale	-	32,000
Total Current Assets	100,340	70,868
TOTAL ASSETS	2,085,748	1,616,523
LIABILITIES		
Non-Current Liabilities		
Tenant's deposits	35,984	24,936
Financing	264,503	263,857
Current Liabilities		
Payables and accruals	39,626	34,943
Financing	419,266	264,147
TOTAL LIABILITIES	759,379	587,883
<u>FINANCED BY:</u>		
<u>UNITHOLDERS' FUND</u>		
Unitholders' capital	1,044,664	750,966
Undistributed distributable income	5,555	21,355
Non-distributable reserve	276,150	256,319
	1,326,369	1,028,640
TOTAL UNITHOLDERS' FUND AND LIABILITIES	2,085,748	1,616,523
NET ASSET VALUE	1,326,369	1,028,640
NUMBER OF UNITS IN CIRCULATION	547,522,040	461,239,089
NET ASSET VALUE PER UNIT (RM)		
- Before income distribution	2.4225	2.2302
- After income distribution (Note 1)	2.4080	2.1832

(The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements.)

Note 1 – Being Net Asset Value Per Unit after reflecting realised income to be distributed as final income distribution of 1.45 sen per unit payable on 27 February 2015.

AXIS REAL ESTATE INVESTMENT TRUST

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

	INDIVIDUAL QUARTER		CUMULATIVE QUARTER	
	Current Year Quarter 31.12.2014	Preceding Year Corresponding Quarter 31.12.2013	Current Year To date 31.12.2014	Preceding Year To date 31.12.2013
	RM'000	RM'000	RM'000	RM'000
TOTAL TRUST REVENUE	35,033	36,194	138,835	141,981
Realised rental income	34,370	36,007	137,625	141,314
Unrealised rental income (unbilled lease income receivable) **	707	512	2,424	2,271
Gross rental income	35,077	36,519	140,049	143,585
Less : Assessment	(782)	(838)	(3,149)	(3,352)
Quit rent	(210)	(212)	(828)	(851)
Other property operating expenditure	(4,243)	(4,337)	(17,576)	(16,609)
Net rental income	29,842	31,132	118,496	122,773
Profit income	663	187	1,210	667
Net gain on disposal of investment property#	-	-	1,614	-
Change in fair value of investment properties	5,101	9,869	25,970	27,206
Unbilled lease income receivable **	(707)	(512)	(2,424)	(2,271)
Fair value change on derivative liability	173	(366)	455	(366)
Net gain on financial liabilities measured at amortised cost	1,480	(1,588)	2,744	(86)
TOTAL TRUST INCOME	36,552	38,722	148,065	147,923
<u>EXPENDITURE</u>				
Manager's fees	2,619	2,582	10,400	10,051
Trustee's fees	138	128	564	515
Depreciation	84	79	298	152
Auditors' fees	29	35	115	114
Tax agent's fee	4	13	17	26
Allowance for doubtful/bad debts	-	-	37	(30)
Administrative expense	716	639	2,331	1,977
Islamic financing cost *	6,879	5,878	23,848	23,837
TOTAL TRUST EXPENDITURE	10,469	9,354	37,610	36,642
NET TRUST INCOME	26,083	29,368	110,455	111,281
PROFIT FOR THE PERIOD	26,083	29,368	110,455	111,281

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 31.12.2014	Preceding Year Corresponding Quarter 31.12.2013	Current Year To date 31.12.2014	Preceding Year To date 31.12.2013
	RM'000	RM'000	RM'000	RM'000
OTHER COMPREHENSIVE INCOME NET OF TAX				
Cash flow hedge	-	-	-	407
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	26,083	29,368	110,455	111,688
EARNINGS PER UNIT (sen)	5.39	6.40	23.64	24.30
PROFIT FOR THE PERIOD IS MADE UP AS FOLLOWS:				
Realised	19,329	21,453	81,286	84,527
Unrealised rental income **	707	512	2,424	2,271
Unrealised - change in fair value of investment properties	5,101	9,869	25,970	27,206
Unrealised - unbilled lease income receivable **	(707)	(512)	(2,424)	(2,271)
Unrealised - Net gain on financial liabilities measured at amortised cost	1,480	(1,588)	2,744	(86)
Unrealised - Fair value change on derivative liability	173	(366)	455	(366)
	26,083	29,368	110,455	111,281

(The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements)

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

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

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

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

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

FROM 1 JANUARY 2013 TO 31 DECEMBER 2013 (AUDITED)

	<i>Distributable</i>		<i>Non-Distributable</i>		Total RM'000
	Unitholders' Capital RM'000	Undistributed Realised Income RM'000	Other Unrealised Income RM'000	Hedging Reserve RM'000	
As at 1 January 2013	735,429	25,617	229,565	(906)	989,705
Profit for the year	-	84,527	26,754	-	111,281
Cash flow hedge	-	-	-	407	407
<i>Increase in net asset resulting from operations</i>	-	84,527	26,754	407	111,688
Cash flow hedge - reclassified to profit or loss upon termination of hedge	-	-	-	499	499
Unitholders' transactions					
Issuance of Units Under Income Distribution Reinvestment Plan	15,594	-	-	-	15,594
Distribution to Unitholders	-	(88,789)	-	-	(88,789)
Issuing expenses	(57)	-	-	-	(57)
<i>Decrease in net assets resulting from Unitholders' transactions</i>	15,537	(88,789)	-	-	(73,252)
Net assets as at 31 December 2013	750,966	21,355	256,319	-	1,028,640

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

FROM 1 JANUARY 2014 TO 31 DECEMBER 2014 (UNAUDITED)

	Unitholders' Capital RM'000	<i>Distributable</i> Undistributed Realised Income RM'000	<i>Non- Distributable</i> Other Unrealised Income RM'000	Total RM'000
As at 1 January 2014	750,966	21,355	256,319	1,028,640
Profit for the year	-	81,286	29,169	110,455
Realisation of unrealised income	-	9,338	(9,338)	-
<i>Increase in net asset resulting from operations</i>	-	90,624	19,831	110,455
Unitholders' transactions				
Issuance and placement of Units	297,097	-	-	297,097
Distribution to Unitholders# - paid	-	(93,898)	-	(93,898)
Distribution to Unitholders## - provision	-	(12,526)	-	(12,526)
Issuing expenses	(3,399)	-	-	(3,399)
<i>Decrease in net assets resulting from Unitholders' transactions</i>	293,698	(106,424)	-	187,274
Net assets as at 31 December 2014	1,044,664	5,555	276,150	1,326,369

(The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements.)

Includes the payment of the final income distribution for financial year 2013 of 4.70 sen per unit which was paid on 28 February 2014, and the first, second, third interim income distributions amounting to a total of 15.60 sen per unit for the financial year 2014 which were paid on 13 June 2014 and 5 September 2014, 28 November 2014, respectively.

the fourth interim income distribution of 2.70 sen per unit for the financial year 2014 was declared on 26 November 2014 and paid on 8 January 2015.

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2014 (UNAUDITED)

	Current Year To Date 31.12.2014 RM'000	Preceding Year To Date 31.12.2013 RM'000
Operating activities		
Profit before taxation	110,455	111,281
Adjustments for :-		
Islamic financing cost	23,848	23,837
Profit income	(1,210)	(667)
Change in fair value of investment properties	(25,970)	(27,206)
Net gain on disposal of investment property	(1,614)	-
Depreciation	298	152
Net gain on financial liabilities measured at amortised cost	(2,744)	86
Allowance for doubtful/bad debts	37	-
Fair value change on derivative liability	(455)	366
Operating income before working capital changes	102,645	107,849
Changes in working capital		
Receivables, deposits and prepayments	(6,250)	22,553
Payables and accruals	3,283	5,163
Tenants' deposit	6,521	1,352
Cash generated from operating activities	106,199	136,917
Tax refunded	-	154
Net cash from operating activities	106,199	137,071
Investing activities		
Profit income received	1,210	667
Payment for enhancement of investment properties	(18,330)	(28,523)
Purchase of fixed assets	(712)	(2,038)
Net proceeds from disposal of investment property	30,248	3,400
Purchase of investment properties	(395,039)	-
Net cash used in investing activities	(382,623)	(26,494)
Financing activities		
Islamic financing cost paid	(23,848)	(23,837)
Drawdown/(repayment) of financing, net	155,765	(21,281)
Distribution paid to unitholders	(93,898)	(88,789)
Proceed from issue of units	297,097	15,594
Issuance expenses	(3,399)	(57)
Net cash from/(used in) financing activities	331,717	(118,370)

AXIS REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2014 (UNAUDITED) (Continued)

	Current Year	Preceding Year
	To Date	To Date
	31.12.2014	31.12.2013
	RM'000	RM'000
Net increase/(decrease) in cash and cash equivalents	55,293	(7,793)
Cash and cash equivalents at beginning of year	34,523	42,316
Cash and cash equivalents at end of year	<u>89,816</u>	<u>34,523</u>
Cash and cash equivalents		
Cash and bank balances	9,822	10,617
Islamic deposits placed with licensed banks	80,294	24,206
	<u>90,116</u>	<u>34,823</u>
Islamic deposits placed with licensed banks - pledged	(300)	(300)
	<u>89,816</u>	<u>34,523</u>

(The Condensed Statement of Cash Flow should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to the financial statements.)

NOTES TO THE QUARTERLY REPORT

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

A1. BASIS OF PREPARATION

The quarterly financial report is unaudited and has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of Axis Real Estate Investment Trust (“Axis-REIT” or “Trust” or “Fund”) for year ended 31 December 2013.

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

The audit report of the financial statements of Axis-REIT for the preceding year i.e. the financial year ended 31 December 2013 was not qualified.

A3. SEASONALITY OR CYCLICALITY OF OPERATIONS

The business operations of Axis-REIT are not affected by material seasonal or cyclical factors.

A4. UNUSUAL ITEMS

There were no unusual items to be disclosed for the quarter under review.

A5. CHANGES IN ESTIMATES

This is not applicable as no estimates were previously reported.

A6. DEBT AND SHARIAH-COMPLIANT EQUITY SECURITIES

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

A7. INCOME DISTRIBUTION

During the quarter under review, the 2014 third interim income distribution of 5.00 sen per unit, totaling RM23,197,105, in respect of the period from 1 July 2014 to 30 September 2014, was paid on 28 November 2014.

Besides that, during the quarter under review, the 2014 fourth interim income distribution of 2.70 sen per unit, totaling to RM12,526,436, in respect of the period from 1 October 2014 to 1 December 2014, was paid on 8 January 2015.

The Manager has proposed to distribute 99.9% from realised income available for distribution generated from operations for the period from 2 December 2014 to 31 December 2014 of 1.45 sen per unit, which includes a non-taxable portion of approximately 0.17 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 this report except for the following:

- a) The completion of acquisition of a parcel of land held under H.S.(D) 43148, PT No. 17562, Mukim and District of Klang, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis Shah Alam DC3" erected thereon from Great Avenue (M) Sdn Bhd, for a purchase consideration of RM183,000,000, on 18 December 2014;
- b) The completion of acquisition of a parcel of land held under H.S.(D) 22390, PT No. 61, Section 15, Shah Alam, District of Petaling Jaya, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis MRO Hub" erected thereon from Exceptional Landmark Sdn Bhd, for a purchase consideration of RM52,500,000, on 18 December 2014;
- c) The proposed acquisition and leaseback of a parcel of land held under H.S.(D) 293642, PT No. 2233, Section 16, Bandar Shah Alam, District of Petaling, Negeri Selangor Darul Ehsan together with all that industrial building known as "Axis Shah Alam DC2" erected thereon from Able Heights (M) Sdn Bhd, for a purchase consideration of RM45,000,000, which is expected to be completed in the first quarter of 2015;
- d) The completion of acquisition and leaseback of an industrial facility, known as "Axis Steel Centre @ SiLC", built on a parcel of freehold land held under H.S.(D) 458080, PT No. 5755, Mukim of Jelutong, District of Johor Bahru, Johor Darul Takzim from Yongnam Engineering Sdn Bhd, for a purchase consideration of RM153,500,000, on 30 December 2014; and

- e) a letter of offer has been duly accepted to purchase an industrial facility located in Prai for a purchase consideration of RM38,000,000. Due diligence exercise is currently ongoing in finalizing the terms of the transaction.

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

Axis-REIT's fund size was increased from 463,700,098 units to 547,522,040 units with the successful issuance and listing of 242,000 new units issued as payment of management fee in units to Axis REIT Managers Berhad, as the management company of Axis-REIT and 83,579,942 new placement units issued pursuant to the placement exercise of Axis-REIT on 28 October 2014 and 12 December 2014, respectively.

A12. CONTINGENT LIABILITIES OR CONTINGENT ASSETS

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

B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.44 OF BURSA MALAYSIA SECURITIES BERHAD'S MAIN MARKET LISTING REQUIREMENTS

B1. REVIEW OF PERFORMANCE

Axis REIT Managers Berhad, the management company of Axis-REIT ("Manager") is pleased to report to unitholders the financial results of the fourth quarter of 2014.

Quarter Results

For the quarter ended 31 December 2014, Axis-REIT registered a total revenue of RM35,033,000. The realised net income from operations was RM19,329,000 after deducting total expenditure RM15,704,000 of which RM5,235,000 were attributable to property expenses and RM10,469,000 to non-property expenses.

Full-Year Results

For the financial year ended 31 December 2014, Axis-REIT recorded a total revenue of RM138,835,000. Total expenditure for the year under review was RM59,163,000, of which RM21,553,000 were attributable to property expenses and RM37,610,000 to non-property expenses. The disposal of Axis Plaza completed on 25 March 2014 had resulted in a total realised gain on disposal of RM10,952,000 which comprised the gain on disposal of RM1,614,000 and realisation of unrealised income* of RM9,338,000. Aggregating the net income from operations, total gain on disposal, adjustments allowed under the Third Principal Deed dated 28 November 2013 constituting Axis-REIT together with the balance of undistributed earnings brought forward from prior year, the Fund has income available for distribution of RM92,720,000.

A total of RM84,745,320 was paid out as the 2014 first, second, third and fourth interim income distributions, which translated to 18.30 sen per unit. Axis-REIT has further set aside RM7,939,070 (approximately 99.9% from realised income available for distribution generated from operations for the period from 2 December 2014 to 31 December 2014) as the 2014 final income distribution which translates to 1.45 sen per unit payable on 27 February 2015.

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

Maintenance costs & major capital expenditure

A total of RM18,330,000 has been incurred for enhancement of the properties of Axis-REIT during the financial year ended 31 December 2014.

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 2013 Annual Report of Axis-REIT.

B6. PORTFOLIO COMPOSITION

During the quarter under review, Axis-REIT has acquired three properties i.e. Axis Shah Alam DC3, Axis MRO Hub and Axis Steel Centre @ SiLC. The portfolio size of Axis-REIT comprised of a total 33 properties as at 31 December 2014.

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

The net proceeds of RM285.05 million had been raised from the issuance of 83,579,942 new placement units pursuant to the placement exercise of Axis-REIT in December 2014. Out of this amount, approximately RM225.05 million had been used to pare down the financing of Axis-REIT, which were drawn down earlier to finance acquisitions. The balance of RM60 million will be utilised to repay financing of Axis-REIT maturing in January 2015.

B8. TAXATION

Trust Level

Pursuant to the amendment of Section 61A of the Income Tax Act, 1967 under the Finance Act 2006 which was gazetted on 31 December 2006, where in the basis period for a year of assessment, 90% or more of the total income of the trust is distributed to unitholder, the total income of the trust for that year of assessment shall be exempted from tax.

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

Unitholders' Level

Pursuant to the amended Section 109D(2) of the Income Tax Act, 1967 under the Finance Act 2009 which was gazetted on 8 January 2009, the following withholding tax rates would be applicable on distribution of income which is tax exempt at Axis-REIT's level:

Resident unitholder:

- | | |
|--|---|
| a) Resident company: | Tax flow through; thus no withholding tax |
| b) Unitholder other than a resident company: | Withholding tax at 10% |

Non-resident unitholder:

- | | |
|---|------------------------|
| a) Non-resident company: | Withholding tax at 25% |
| b) Non-resident institutional investor: | Withholding tax at 10% |
| c) Non-resident other than company and institutional investors: | Withholding tax at 10% |

B9. STATUS OF CORPORATE PROPOSALS

- a) On 29 April 2014, the unitholders approved the following at the Unitholders' Meeting of Axis-REIT convened and held on the same date:
- (i) renewal of the authority to allot and issue up to 86,040,951 new units in Axis-REIT ("Units") , representing up to 18.65% of the then existing issued fund size of Axis-REIT of 461,239,089 Units to facilitate a placement exercise ("Authority 1");
 - (ii) increase in the then existing issued fund size of Axis-REIT from 461,239,089 Units up to a maximum of 547,280,040 Units; and
 - (iii) subscription of the new Units to be issued under placement exercise by certain Directors and persons connected to them.

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

On 12 December 2014, Axis-REIT had successfully completed the Authority 1 with the issuance of 83,579,942 new Units under the aforesaid placement exercise.

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

The Authority 2 had been implemented with the issuance and listing of 242,000 new units as payment of management fee to the Manager on 28 October 2014.

- c) Axis-REIT had on 18 December 2014 completed the acquisitions of Axis Shah Alam DC3 and Axis MRO Hub, whereas the acquisition of Axis Shah Alam DC2 is expected to be completed in the first quarter of 2015.

B10. FINANCING

	Current Financial Quarter End 31 December 2014 (RM' 000)	Preceding Financial Year End 31 December 2013 (RM' 000)
Short term financing		
- Secured Islamic revolving credit/hire purchase	419,266	264,147
Long term financing		
- Islamic Medium Term Note/hire purchase	264,503	263,857

B11. DERIVATIVES

As at 31 December 2014, the Trust has the following Islamic Profit Rate Swap (“IPRS”) to hedge against the fluctuation of future movement in profit rate on its short term financing. The Trust is currently using the said 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 31 December 2014 <u>RM</u>	<u>Maturity</u>
3-year IPRS – derivative asset	134,950	Less than 3 years
3-year IPRS – derivative liability	45,879	Less than 3 years

B12. MATERIAL LITIGATION

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

B13. SOFT COMMISSION RECEIVED

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

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

	Current Quarter Ended 31.12.2014 RM' 000	Immediate Preceding Quarter Ended 30.09.2014 RM' 000
Number of units in issue (units)	547,522,040	463,700,098
Earnings per unit (EPU) (realised) (sen)	4.01#	4.06
EPU (include unrealised income) (sen)	5.39#	8.65
Net realised income for the period(RM'000)	19,329	18,893
Distribution per unit (DPU) (sen)	4.15*	5.00
Net Asset Value (NAV) (RM'000)	1,326,369	1,050,155
NAV Per Unit (RM)	2.4225	2.2647
Market Value Per Unit (RM)	3.62	3.62

Based on weighted average of the number of units in issue of 482,040,629. The total number of units issued was increased from 463,700,098 units to 547,522,040 units with the successful issuance and listing of 242, 000 new units issued as payment of management fee in units to the Manager and 83,579,942 new placement units issued pursuant to the placement exercise of Axis-REIT on 28 October 2014 and 12 December 2014, respectively.

*Includes the 2014 fourth interim income distribution of 2.70 sen per unit based on the number of units in issue of 463,942,098 paid on 8 January 2015.

B15. RESPONSIBILITY STATEMENT

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Axis-REIT as at 31 December 2014 and of its financial performance and cash flows for the quarter/year ended on that date and duly authorized for release by the Board of the Manager on 19 January 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 January 2015