

SCALING NEW HEIGHTS



ANNUAL REPORT 2009
Malaysia's 1st Islamic Office/Industrial REIT

PASAR PASAR BESAR
Giant

FUJI Xerox

WISATA
AXIS

FUJIFILM

eSVC

Wisma Kompyutan

Wisma Kompyutan

Wisma Kompyutan



Artist Impression - Quattro West Refurbishment

“Axis-REIT is the first Islamic Office / Industrial REIT listed globally. It has the third largest market capitalization of the REITs listed on Bursa Malaysia and was included in Maybank Investment Bank’s listing of the top outperformers of 2009 relative to the KLCI and remains one of the top 5 on their buy list for 2010”

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This annual report for the year ended 31 December 2009 has been prepared by Axis REIT Managers Bhd (649450-W) as the Manager of Axis-REIT. Whilst every care has been taken in relation to the 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 currencies are expressed in Ringgit Malaysia unless otherwise stated. This Annual Report is dated in February 2010.

ABOUT AXIS-REIT

Axis-REIT was the first Real Estate Investment Trust (“REIT”) to list on Bursa Malaysia Securities Berhad on 3 August 2005.

On 11 December 2008, Axis-REIT was reclassified as an Islamic REIT.

Having started with a modest portfolio of 5 properties, the Fund now boasts 21 properties, leading the industry in terms of growth.

Axis-REIT owns a diversified portfolio of properties in the Klang Valley, Johor and Kedah comprising:

- Commercial Offices
- Office/Industrial Buildings
- Warehouse/Logistics Centres
- Light Industrial Buildings
- Warehouse Retail Facilities

These properties primarily house multinational companies which have been tenants of the Axis Group for numerous years. They are involved in the Imaging, Medical, Home Appliances, Automotive, Pharmaceutical, Insurance, Wellness, Electronics, IT, Retail Warehousing, Fast Moving Consumer Goods, Telecommunications and Fitness industries.

Axis REIT Managers Berhad is the Manager of Axis-REIT.

The Manager is committed to deliver long term sustainable distributions and capital stability through its 4 principles of management:

- Prudent capital and risk management;
- Yield accretive asset purchases;
- Excellent investor relations;
- Proactive asset and tenant management.

MISSION

To provide consistent distributions to Unitholders through growing the property portfolio, displaying the highest level of corporate governance, excellent capital management, effective risk management and preserving capital values.

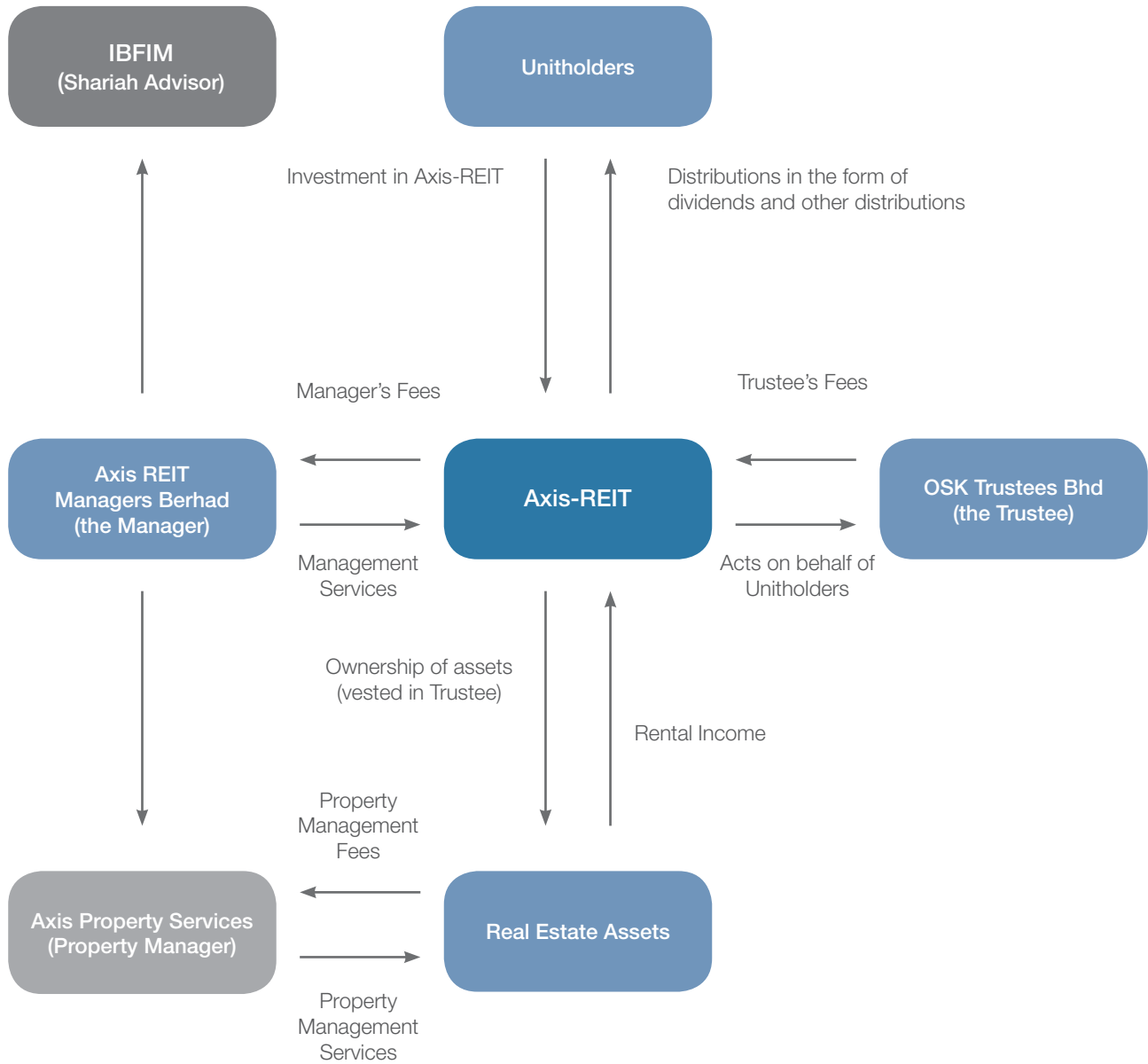
VISION

To successfully benchmark Axis-REIT against the world’s most successful REITs in terms of total return to Unitholders and be the REIT of choice for Shariah Investors.

SALIENT FEATURES OF AXIS-REIT

Fund category	Real estate investment trust
Fund type	Growth and income
Mission of the Fund	To provide consistent distributions to Unitholders through growing the property portfolio, displaying the highest level of corporate governance, excellent capital management, effective risk management and preserving capital values.
Vision of the Fund	To successfully benchmark Axis-REIT against the world's most successful REITs in total return to Unitholders and be REIT of choice for Shariah Investors.
Approved fund size	307,081,200 Units
Authorized investments	At least 50% of the Fund's total asset value must be invested in real estate and/or single purpose companies at all times.
Initial Public Offering retail price	RM1.25 per Unit
FYE	31 December
Distribution policy	Quarterly income distribution.
Borrowing limitations	Up to 50% of the total asset value of the Fund.
Revaluation policy	The investment properties shall be revalued at least once every year by independent registered valuer.
Minimum initial investment	100 Units
Quotation	Main board of Bursa Malaysia Securities Berhad ("Bursa Securities")
Bursa Securities Stock Number	AXREIT 5106

AXIS-REIT STRUCTURE

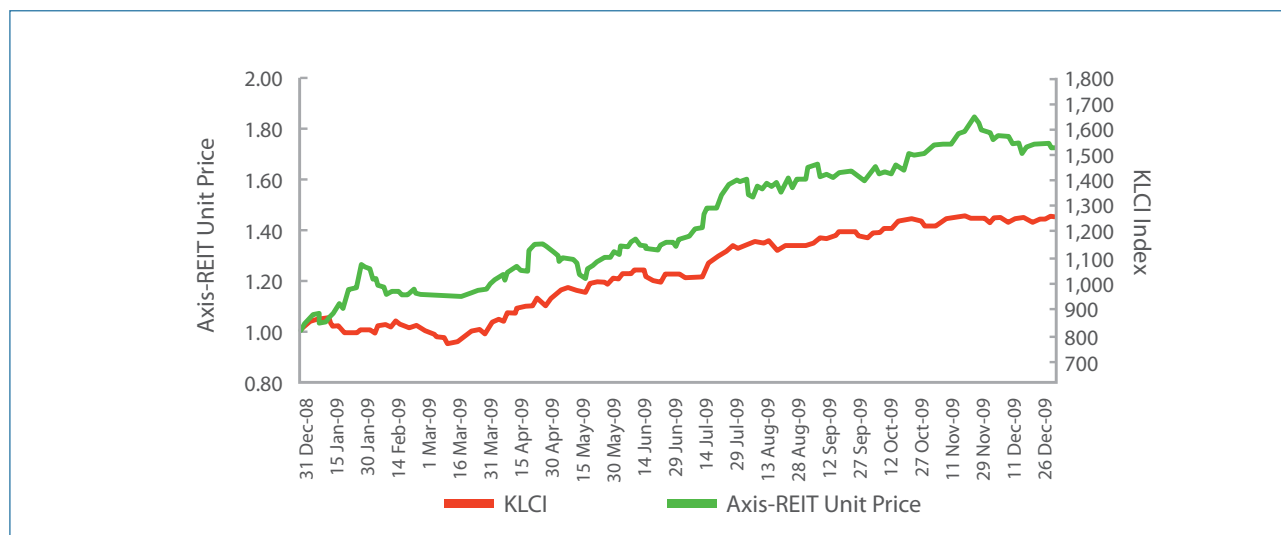


FINANCIAL HIGHLIGHTS

A Quick Snapshot

1 Jan 2009 to 31 Dec 2009	
Total Net Income (RM'000)	61,976
Income available for Distribution (Realised) (RM'000)	42,878
Earnings per Unit ("EPU") (Realised) (Sen)	15.77
Income Distribution (RM'000)	42,981
Distribution per Unit ("DPU")(Sen)	15.80 sen
Number of Investment Properties	21
Units in Circulation (Units)	307,081,200
Assets Under Management (RM'000)	907,745
Total Borrowings/Financing (RM'000)	308,932
Total Borrowings/Financing to Total Assets (%)	34.03
Total Unitholder's Fund (RM'000)	550,357
Market Capitalization (RM'000)	592,667
Net Asset Value per Unit (RM)	1.79
IPO Retail Unit Price (RM)	1.25
Unit Price as at 31 December 2009 (RM)	1.93
Number of Unitholders	2,080
Distribution Policy	<ul style="list-style-type: none"> • 1st to 3rd Quarter – at least 95% of the current year-to-date distributable income and • 4th Quarter – at least 99% of the current year-to-date distributable income

Monthly Trading Performance



Trading Statistics for 2009

Closing Price – 31 Dec 2008	RM 1.12
Closing Price – 31 Dec 2009	RM 1.93
High – 23 Nov 2009	RM 2.07
Low – 2 Jan 2009	RM 1.08

