

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

	<b>(Unaudited)</b> <b>As at</b> <b>31.03.2012</b> <b>RM</b>	<b>(Audited)</b> <b>As at</b> <b>31.12.2011</b> <b>RM</b>
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	194,700,000	194,700,000
<b>Current assets</b>		
Trade and other receivables	660,153	1,488,420
Deposits with licensed financial institution	11,957,504	14,546,371
Bank balance	537,220	734,298
	<u>13,154,877</u>	<u>16,769,089</u>
<b>TOTAL ASSETS</b>	<u>207,854,877</u>	<u>211,469,089</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Trade and other payables	2,713,839	2,713,839
Borrowings	20,000,000	20,000,000
	<u>22,713,839</u>	<u>22,713,839</u>
<b>Current liabilities</b>		
Trade and other payables	2,864,504	6,604,332
Borrowings	45,000,000	45,000,000
	<u>47,864,504</u>	<u>51,604,332</u>
<b>TOTAL LIABILITIES</b>	<u>70,578,343</u>	<u>74,318,171</u>
<b>NET ASSET VALUE ("NAV")</b>	<u>137,276,534</u>	<u>137,150,918</u>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	119,351,580	119,351,580
Undistributed income	17,924,954	17,799,338
<b>TOTAL UNITHOLDERS' FUNDS</b>	<u>137,276,534</u>	<u>137,150,918</u>
<b>NUMBERS OF UNITS IN CIRCULATION (UNITS)</b>	<u>121,801,000</u>	<u>121,801,000</u>
<b>NAV PER UNIT (RM)</b>		
- before proposed distribution	1.1271	1.1260
- after proposed distribution (Note 1)	1.1051	1.1047

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 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 first interim income distribution for 2012 of 2.20 sen per unit payable on 31 May 2012.)*

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2012 RM	Preceding Year Corresponding Quarter 31.03.2011 RM	Current Year to Date 31.03.2012 RM	Preceding Year to Date 31.03.2011 RM
Gross revenue	4,049,660	3,519,585	4,049,660	3,519,585
Property operating expenses	(430,245)	(339,277)	(430,245)	(339,277)
<b>Net rental income</b>	3,619,415	3,180,308	3,619,415	3,180,308
Interest income	101,494	141,615	101,494	141,615
Miscellaneous income	-	5,873	-	5,873
<b>Total income</b>	3,720,909	3,327,796	3,720,909	3,327,796
<b>Trust expenses</b>				
Manager's fees	(200,788)	(189,178)	(200,788)	(189,178)
Trustee's fees	(13,386)	(12,612)	(13,386)	(12,612)
Auditors' fees	(4,500)	(4,500)	(4,500)	(4,500)
Tax agent's fees	(1,110)	(1,125)	(1,110)	(1,125)
Finance costs	(752,206)	(430,495)	(752,206)	(430,495)
Valuation fees	-	-	-	-
Administrative expenses	(28,942)	(28,430)	(28,942)	(28,430)
Others	-	-	-	-
<b>Total Expenses</b>	(1,000,932)	(666,340)	(1,000,932)	(666,340)
<b>Income before taxation</b>	2,719,977	2,661,456	2,719,977	2,661,456
Taxation	-	-	-	-
<b>Net income/Total comprehensive income for the period</b>	2,719,977	2,661,456	2,719,977	2,661,456
<b>Net income for the period is made up as follows:</b>				
-Realised	2,719,977	2,661,456	2,719,977	2,661,456
-Unrealised	-	-	-	-
<b>Earnings per unit (sen)</b>				
- after manager's fees	2.23	2.19	2.23	2.19
- before manager's fees	2.40	2.34	2.40	2.34
<b>Distribution per unit (sen)</b>				
- proposed first interim	2.20	2.15	2.20	2.15

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)**  
**For The Period from 01.01.2012 to 31.03.2012**

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
<b>Net assets as at 1 January 2012</b>	119,351,580	2,899,338	14,900,000	137,150,918
<b>Operations for the period from - 1 January 2012 to 31 March 2012</b>				
Net income for the period	-	2,719,977	-	2,719,977
Increase in net assets resulting from operations	-	2,719,977	-	2,719,977
<b>Unitholders' transactions</b>				
Distributions to unitholders - 2011 final	-	(2,594,361)	-	(2,594,361)
Decrease in net assets resulting from unitholders' transactions	-	(2,594,361)	-	(2,594,361)
<b>Net assets as at 31 March 2012</b>	119,351,580	3,024,954	14,900,000	137,276,534

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)**  
**For The Period from 01.01.2011 to 31.03.2011**

	← Undistributed Income →			Total RM
	Unitholders' Capital RM	Realised RM	Unrealised RM	
<b>Net assets as at 1 January 2011</b>	119,351,580	295,442	8,200,000	127,847,022
Add : Effects of adopting FRS 110	-	2,679,622	-	2,679,622
<b>Net assets as at 1 January 2011(as restated)</b>	119,351,580	2,975,064	8,200,000	130,526,644
<b>Operations for the period from - 1 January 2011 to 31 March 2011</b>				
Net income for the period	-	2,661,456	-	2,661,456
Increase in net assets resulting from operations	-	2,661,456	-	2,661,456
<b>Unitholders' transactions</b>				
Distributions to unitholders - 2010 final	-	(2,679,622)	-	(2,679,622)
Decrease in net assets resulting from unitholders' transactions	-	(2,679,622)	-	(2,679,622)
<b>Net assets as at 31 March 2011(as restated)</b>	119,351,580	2,956,898	8,200,000	130,508,478

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)**  
**For The Period from 01.01.2011 to 31.03.2011**

	<b>Current Year to Date 31.03.2012 RM</b>	<b>Preceding Year to Date 31.03.2011 RM</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	2,719,977	2,661,456
Adjustments for:		
Interest income	(101,494)	(141,615)
Interest expense	752,206	430,495
Operating income before working capital changes	3,370,689	2,950,336
Decrease/(increase) in trade and other receivables	828,267	(599,608)
(Decrease)/increase in trade and other payables	(3,739,828)	371,619
Cash generated from operating activities	459,128	2,722,347
Tax paid	-	-
Net cash generated from operating activities	459,128	2,722,347
<b><u>Cash Flow From Investing Activities</u></b>		
Interest income	101,494	141,615
Net cash generated from investing activities	101,494	141,615
<b><u>Cash Flow Form Financing Activities</u></b>		
Interest paid	(752,206)	(430,495)
Distribution to unitholders	(2,594,361)	(2,679,622)
Net cash used in financing activities	(3,346,567)	(3,110,117)
<b>Net Decrease In Cash And Cash Equivalents</b>	(2,785,945)	(246,155)
<b>Cash And Cash Equivalents At The Beginning Of the Period</b>	15,280,669	20,324,880
<b>Cash And Cash Equivalents At The End Of the Period</b>	12,494,724	20,078,725
<b><u>Cash and cash equivalents</u></b>		
Cash and bank balances	537,220	534,934
Deposits with licensed financial institution	11,957,504	19,543,791
	<u>12,494,724</u>	<u>20,078,725</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2011 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS**  
**For The Quarter Ended 31 March 2012**

**Disclosure requirements as per Malaysian Financial Reporting Standards (“MFRS”)**  
**134**

**A1. Basis of Preparation**

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (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 the Atrium Real Estate Investment Trust (“Atrium REIT”) for the year ended 31 December 2011.

**A2. Audit Report of Preceding Financial Year Ended 31 December 2011**

The Auditors Report on the financial statements of the preceding financial year was not qualified.

**A3. Seasonality or Cyclicity of Operations**

The business operations of the Atrium REIT are not materially affected by any seasonal or cyclical factor.

**A4. Exceptional or Unusual Items**

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

**A5. Changes in Estimates of Amounts Reported**

This is not applicable as no estimates were previously reported.

**A6. Changes in Debt and Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter. The outstanding debt is disclosed in Note B13.

**A7. Income Distribution**

During the quarter under review, Atrium REIT paid a final income distribution of 2.13 sen per unit, amounting to RM 2,594,361, in respect of the quarter ended 31 December 2011 on 29

February 2012. Based on the first quarter's result ended 31 March 2012, there will be an interim distribution of 2.20 sen per unit, amounting to RM 2,679,622 to be made on the 31 May 2012.

#### **A8. Segment Reporting**

No segment information is prepared as the Atrium REIT's activities are predominantly in one industry segment and occur predominantly in Malaysia.

#### **A9. Valuation of Property, Plant & Equipment**

The investment properties are valued based on valuations performed by independent registered valuers. The valuations of land and buildings have been brought forward without amendment from the audited financial statements for the year ended 31 December 2011.

#### **A10. Material Events**

There was no material event subsequent to the end of the current financial quarter.

#### **A11. Changes in the Composition of Atrium REIT**

There is no change in composition of Atrium REIT for the current financial quarter.

#### **A12. Changes in Contingent Liabilities**

There is no contingent liability to be disclosed.

#### **A13. Supplementary Information on Realised and Unrealised Income**

The Undistributed Income as at the end of the reporting period may be analysed as follows:

	As at 31 March 2012 RM	As at 31 December 2011 RM
<u>Realised</u>		
Distributable undistributed income	3,024,954	2,899,338
<u>Unrealised</u>		
Cumulative net changes arising from the fair value adjustments to the investment properties	14,900,000	14,900,000
	<u>17,924,954</u>	<u>17,799,338</u>

## **Additional disclosure requirement as per paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad**

### **B1. Manager's Investment Objectives**

The Manager's investment objectives are to maximise profits in order to reward Unitholders with a stable distribution of income and to acquire quality assets to achieve long term growth in the Net Asset Value ("NAV") per unit. The Manager has achieved its objective of rewarding Unitholders with stable and attractive return through consistent distribution of income since the listing of the Atrium REIT on 2 April 2007. There was no change in the investment objectives of the Atrium REIT as at the date of this report.

### **B2. Strategies and Policies**

There was no change in strategies and policies employed since the preceding financial year.

### **B3. Review of Performance**

	<b>Current Quarter As at 31 March 2012</b>	<b>Preceding Quarter As at 31 December 2011</b>
Net asset value (RM)	137,276,534	137,150,918
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.1271	1.1260
Market price per unit (RM)	1.14	1.07
Highest traded price per unit during the quarter (RM)	1.25	1.09
Lowest traded price per unit during the quarter (RM)	1.07	1.03

#### **Quarterly Results**

For the quarter ended 31 March 2012, Atrium REIT recorded Total Income of RM 3,720,909 which is 11.8% higher than the corresponding quarter of RM 3,327,796. Net Income for the quarter of RM 2,719,977 represents an increase of 2.20% compared to RM 2,661,456 achieved in the last corresponding quarter.

The improved result is due mainly to the additional contribution from the newly acquired Atrium USJ. Correspondingly, the property operating expenses and the finance costs have increased as a result of the new acquisition. Interest income decreased due to a decrease in deposits with licensed financial institutions as part of the funds were used for financing the acquisition of Atrium USJ and also for refunding the excess security deposits back to the tenant/lessee.



#### B4. Comparison with Preceding Quarter

	<b>Current Quarter 01.01.2012 To 31.03.2012 RM</b>	<b>Preceding Quarter 01.10.2011 To 31.12.2011 RM</b>
Gross revenue	4,049,660	3,572,556
Property expenses	(430,245)	(348,520)
<b>Net property income</b>	<u>3,619,415</u>	<u>3,224,036</u>
Interest income	101,494	125,320
Change in fair value of investment properties	-	6,700,000
Miscellaneous income	-	-
<b>Total income</b>	<u>3,720,909</u>	<u>10,049,356</u>
Trust expenses	(248,726)	(314,869)
Finance cost	(752,206)	(475,522)
<b>Income before taxation</b>	2,719,977	9,258,965
Taxation	-	-
<b>Net income</b>	<u>2,719,977</u>	<u>9,258,965</u>

Atrium REIT's Net Income for the current quarter ended 31 March 2012 is lower compared to the preceding quarter mainly due to the positive change in the fair value of investment properties in the preceding quarter.

However, Atrium REIT's Net Income (Realised) for the quarter under review increased as compared to the preceding quarter mainly due to the additional contribution from the newly acquired Atrium USJ even though the property operating expenses and the finance costs also increase accordingly. The Trust expenses were much higher in the previous quarter due to the following expenses incurred in that quarter: valuation fees, bank facility extension fee and incidental expenses incurred for the acquisition of Atrium USJ.

#### B5. Maintenance Costs and Major Capital Expenditure

##### **Atrium Shah Alam 2**

Since the remedial works carried out in 2009 on the warehouse floor slab due to soil settlement, the Manager has been closely monitoring the state and condition of the affected area. Recently, there appears to be some soil movement resulting in some minor damage to the floor slab at the affected area. However, the cost and scope of the remedial works required is not expected to be substantial and/or extensive.

No major capital expenditure was incurred by Atrium REIT during the quarter under review.

## **B6. Prospects**

### **Atrium Shah Alam 2**

The tenancy for Atrium Shah Alam 2 will be expiring on 31 May 2012 and the Manager has been actively engaging the tenant, CEVA Logistics (Malaysia) Sdn Bhd (“CEVA”) on the renewal of the tenancy since end of last year.

CEVA has recently confirmed that it will be renewing the tenancy for Atrium Shah Alam 2 for a period of 2 years with option for another year, commencing on 1 June 2012 and expiring on 31 May 2014. The renewal rate agreed is slightly higher than the existing rate and the Manager is targeting to have the relevant documentations in relation to the said renewal executed by both parties by 2<sup>nd</sup> quarter 2012.

### **Atrium USJ**

Century Total Logistics Sdn Bhd (“Century”) has confirmed that they will be renewing the rental of Block B of Atrium USJ for another 22 months and 24 days from the expiry of the current tenancy on 5 February 2012. The renewal rate will be based on 10% above the existing rental rate and the Manager has appointed Messrs Benjamin Dawson as the solicitors to attend to the new tenancy agreement. The Manager is targeting to complete the renewal by 2<sup>nd</sup> quarter 2012.

For 2012, the Manager expects all the properties of the Atrium REIT to maintain its 100% occupancy rates. The 100% occupancy rates of the properties are due to their strong tenants, competitive rental rates, strategic locations and excellent facilities.

The Manager will continue to actively identify good assets for new acquisition to improve the yield and to continue focusing on the strategy of having the investment properties leased long-term to reputable tenants.

## **B7. Portfolio Composition**

There was no change to the total numbers of properties held by the Atrium REIT since the last reporting period.

## **B8. Utilisation of Proceeds Raised from Issuance of New Units**

This is not applicable as there are no proceeds raised from any issuance of new units during the current financial quarter.

## **B9. Corporate Development**

There was no corporate proposal announced during the current financial quarter.

## **B10. Material Litigation**

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

## B11. Soft Commission

During the financial quarter, the Manager did not receive any soft commission (i.e. goods and services) from the brokers or agents by virtue of transactions conducted by the Atrium REIT.

## B12. Investment Properties

### Investments in Real Estates

Description of property	Tenure of land	Existing use	Occupancy rate as at 31.03.2012 %	Date of valuation	Acquisition cost RM'000	Latest valuation (A) RM'000	Percentage of (A) over Net Assets Value %
Atrium Shah Alam 1	Freehold	Industrial	100	31.12.2011	57,200	64,600	47.1
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2011	49,100	56,000	40.8
Atrium Puchong	Freehold	Industrial	100	31.12.2011	38,500	40,300	29.4
Atrium Rawang	Freehold	Industrial	100	31.12.2011	10,000	8,600	6.3
Atrium USJ	Freehold	Industrial	100	31.12.2011	25,000	25,200	18.4
						<hr/>	
						179,800	<hr/>
							194,700

## B13. Borrowings and Debt Securities

	As at 31 March 2012 RM	As at 31 December 2011 RM
<u>Short Term Financing</u>		
Short Term Revolving Credit ("STRC") - secured	45,000,000	45,000,000
<u>Long Term Financing</u>		
Term Loan ("TL") - secured	<hr/> 20,000,000	<hr/> 20,000,000
	<hr/> 65,000,000	<hr/> 65,000,000

The STRC facility is secured by way of a first party legal charge over Atrium Shah Alam 1 and Atrium Rawang. This financing facility is renewable on a yearly basis subject to the Bank's review. The interest rates for the STRC facility ranged from 4.09% to 4.20% per annum for the quarter under review.

The interest rate for the TL facility is 4.425% per annum for the quarter under review. The TL facility is secured by all monies First Party charge over Atrium USJ. This financing facility has a maturity of 7 years from the date of first drawdown and will be repaid in full via a bullet repayment at maturity.

#### **B14. Unitholdings of Directors and their Related Parties**

<b>As at 31.03.2012</b>	<b>Number of units held</b>	<b>Percentage of total units %</b>	<b>Market value RM</b>
<b>Direct unit holdings in Atrium REIT</b>			
Atrium REIT Managers Sdn Bhd	322,100	0.26	367,194
<b>As at 31.03.2011</b>			
<b>Directors of the Manager:</b>			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	308,000	0.25	351,120
Tor Peng Sie	100,000	0.08	114,000
How Hu Son	100,000	0.08	114,000
Soong Kwong Heng	55,000	0.05	62,700
<b>Related parties of the Manager:</b>			
Glory Blitz Industries Sdn Bhd	20,024,800	16.44	22,828,272
Sparkle Skyline Sdn Bhd	9,258,900	7.60	10,555,146
Chan Kam Tuck	15,428,200	12.67	17,588,148
Chan Kum Chong	70,000	0.06	79,800

The market value is determined by multiplying the number of units with the closing market price of RM1.14 per unit.

#### **B15. Taxation**

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2012, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967. Thus, the Atrium REIT should not incur any tax expenses for the financial year and has not provided any tax expense for this current financial quarter.

Reconciliation between applicable income tax expense and effective income tax expense of the Atrium REIT is as follows:

	<b>1.1.2012 To 31.3.2012 RM</b>	<b>1.1.2011 To 31.3.2011 RM</b>
Current tax expense	-	-
<b>Reconciliation of effective tax expense</b>		
Income before taxation	2,719,977	2,661,456
Income tax using Malaysian tax rate of 25%	679,994	665,364
Effect of income exempted from tax	(679,994)	(665,364)
Tax expense	-	-

#### **B16. Distribution to Unitholders**

Distributions to unitholders are from the following sources:

	<b>1.1.2012 to 31.3.2012 RM</b>	<b>1.1.2011 to 31.3.2011 RM</b>
Net property income	3,619,415	3,180,308
Interest income	101,494	141,615
Miscellaneous income	-	5,873
	3,720,909	3,327,796
Less: Expenses	(1,000,932)	(666,340)
Net income	2,719,977	2,661,456
Undistributed income		
- Realised	(40,355)	(42,735)
- Unrealised	-	-
Total income distributions	2,679,622	2,618,721
Distribution per unit (sen)		
- First Interim distribution payable on 31 May 2012 (2011: paid on 31 May 2011)	2.20	2.15

For the financial quarter ended 31 March 2012, the Board of Directors of the Manager has declared an interim income distribution of 2.20 sen per unit to be paid on 31 May 2012 to the unitholders registered in the Record of Depositors on 10 May 2012.

Withholding tax will be deducted for distributions made to the following categories of unitholders :

- Resident individual (withholding tax at 10%)
- Non Resident individual (withholding tax at 10%)
- Resident institutional investors (withholding tax at 10%)
- Non-resident institutional investors (withholding tax at 10%)
- Resident companies (No withholding tax. Subject to corporate tax at prevailing rate)
- Non-resident companies (withholding tax at 25% for Year of Assessment 2012)

#### **B17. 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 the Atrium REIT as at 31 March 2012 and of its financial performance and cash flows for the quarter/ period ended on that date and duly authorized for release by the Board of the Manager on 24 April 2012.

By Order of the Board

WONG SUI EE  
Executive Director  
Atrium REIT Managers Sdn Bhd  
Company No: 710526-V  
(As the Manager of Atrium Real Estate Investment Trust)  
Kuala Lumpur  
Dated: 24 April 2012