

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED BALANCE SHEET**

	<b>(Unaudited)</b> <b>As at</b> <b>31.12.2009</b> <b>RM'000</b>	<b>(Audited)</b> <b>As at</b> <b>31.12.2008</b> <b>RM'000</b>
<b><u>Assets</u></b>		
Investment properties	161,600	161,600
Other receivables	528	608
Deposits with licensed financial institution	19,768	17,750
Bank balance	357	2,165
<b>Total Assets</b>	<b>182,253</b>	<b>182,123</b>
<b><u>Liabilities</u></b>		
Trade and other payables	32	33
Other payables	8,010	8,194
Borrowings	45,000	45,000
Provision for income distribution	2,801	2,619
<b>Total Liabilities</b>	<b>55,843</b>	<b>55,846</b>
<b>Net Asset Value</b>	<b>126,410</b>	<b>126,277</b>
<b>Financed by:</b>		
<b>Unitholders' Fund</b>		
Unitholders' capital	119,352	119,352
Undistributed income		
- realised	258	125
- unrealised	6,800	6,800
<b>Total Unitholders' Fund</b>	<b>126,410</b>	<b>126,277</b>
<b>Numbers of units in circulation ('000)</b>	<b>121,801</b>	<b>121,801</b>
<b>Net asset value per unit (RM)</b>		
- before proposed distribution	1.0608	1.0582
- after proposed distribution	1.0378	1.0367

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED INCOME STATEMENTS (UNAUDITED)**

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2009 RM'000	Preceding Year Corresponding Quarter 31.12.2008 RM'000	Current Year to Date 31.12.2009 RM'000	Preceding Year to Date 31.12.2008 RM'000
Gross revenue	3,539	3,423	12,984	13,691
Property expenses	(361)	(328)	(2,544)	(1,065)
<b>NET PROPERTY INCOME</b>	<b>3,178</b>	<b>3,095</b>	<b>10,440</b>	<b>12,626</b>
Interest income	101	160	411	612
Change in fair value of investment properties	-	6,800	-	6,800
Miscellaneous income	19		19	-
<b>TOTAL INCOME</b>	<b>3,298</b>	<b>10,055</b>	<b>10,870</b>	<b>20,038</b>
<b>TRUST EXPENSES</b>				
Manager's fees	(193)	(152)	(745)	(606)
Trustee's fees	(13)	(12)	(51)	(48)
Auditors' fees	(4)	(6)	(15)	(15)
Tax agent's fees	(1)	(1)	(4)	(5)
Borrowing cost	(347)	(482)	(1,350)	(1,852)
Valuation fees	(45)	(66)	(45)	(66)
Administrative expenses	6	(33)	(62)	(146)
Others	-	(70)	-	(188)
	(597)	(822)	(2,272)	(2,926)
<b>INCOME BEFORE TAXATION</b>	<b>2,701</b>	<b>9,233</b>	<b>8,598</b>	<b>17,112</b>
Taxation	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>2,701</b>	<b>9,233</b>	<b>8,598</b>	<b>17,112</b>
Provision for income distribution	(2,801)	(2,619)	(8,465)	(10,231)
<b>NET INCOME RETAINED</b>	<b>(100)</b>	<b>6,614</b>	<b>133</b>	<b>6,881</b>
<b>EARNINGS PER UNIT (sen)</b>				
- after manager's fees	2.22	7.58	7.06	14.05
- before manager's fees	2.38	7.71	7.67	14.55
<b>DISTRIBUTION PER UNIT (sen)</b>				
- interim	-	-	4.65	6.25
- final	2.30	2.15	2.30	2.15
<b>INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:</b>				
-Realised	2,701	2,433	8,598	10,312
-Unrealised	-	6,800	-	6,800

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 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 01.01.2009 to 31.12.2009**

	Unitholders' Capital RM'000	Distributable ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2009	119,352	125	6,800	126,277
<b>Operations for the period from - 1 January 2009 to 31 December 2009</b>				
Net income for the period	-	8,598	-	8,598
Increase in net assets resulting from operations	-	8,598	-	8,598
<b>Unitholders' transactions</b>				
Distributions to unitholders				
- paid	-	(5,664)	-	(5,664)
- provision	-	(2,801)	-	(2,801)
Decrease in net assets resulting from unitholders' transactions	-	(8,465)	-	(8,465)
<b>Net assets as at 31 December 2009</b>	<b>119,352</b>	<b>258</b>	<b>6,800</b>	<b>126,410</b>

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)**  
**For The Period from 01.01.2008 to 31.12.2008**

	Unitholders' Capital RM'000	Distributable ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2008	119,352	44	-	119,396
<b>Operations for the period from - 1 January 2008 to 31 December 2008</b>				
Net income for the period	-	10,312	6,800	17,112
Increase in net assets resulting from operations	-	10,312	6,800	17,112
<b>Unitholders' transactions</b>				
Distributions to unitholders				
- paid	-	(7,612)	-	(7,612)
- provision	-	(2,619)	-	(2,619)
Decrease in net assets resulting from unitholders' transactions	-	(10,231)	-	(10,231)
<b>Net assets as at 31 December 2008</b>	<b>119,352</b>	<b>125</b>	<b>6,800</b>	<b>126,277</b>

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 2008 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED CASH FLOW STATEMENT (UNAUDITED)**  
**For The Period from 01.01.2009 to 31.12.2009**

	<b>Current Year to Date 31.12.2009 RM'000</b>	<b>Preceding Year to Date 31.12.2008 RM'000</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	8,598	17,112
Adjustments for:		
Change in fair value of investment properties		(6,800)
Interest income	(411)	(612)
Interest expense	1,350	1,852
Miscellaneous income	(19)	-
Operating income before working capital changes	9,518	11,552
Decrease in receivables	80	1,052
(Decrease)/Increase in payables	(186)	728
Cash generated from operating activities	9,412	13,332
Tax paid	-	-
Net cash generated from operating activities	9,412	13,332
<b><u>Cash Flow From Investing Activities</u></b>		
Interest income	411	612
Miscellaneous income	19	-
Net cash generated from investing activities	420	612
<b><u>Cash Flow Form Financing Activities</u></b>		
Interest paid	(1,350)	(1,852)
Borrowings	-	1,300
Distribution to unitholders	(8,282)	(10,414)
Net cash used in financing activities	(9,632)	(10,966)
<b>Net Decrease In Cash And Cash Equivalents</b>	<b>200</b>	<b>2,978</b>
<b>Cash And Cash Equivalents At The Beginning Of the Period</b>	<b>19,915</b>	<b>16,937</b>
<b>Cash And Cash Equivalents At The End Of the Period</b>	<b>20,125</b>	<b>19,915</b>
<b><u>Cash and cash equivalents</u></b>		
Cash and bank balances	357	2,165
Deposits with licensed financial institution	19,768	17,750
	<u>20,125</u>	<u>19,915</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 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 December 2009**

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

**A1. Basis of Preparation**

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 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 2008.

**A2. Audit Report of Preceding Financial Year Ended 31 December 2008**

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, the Atrium REIT paid an interim income distribution of 2.20 sen per unit, amounting to RM 2,679,622, in respect of the quarter ended 30 September 2009

on 30 November 2009. Based on the fourth quarter's result ended 31 December 2009, there will be a final distribution of 2.30 sen per unit, amounting to RM 2,801,423 to be made on the 25 February 2010.

#### **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**

As at 31 December 2009, Raine & Horne International Zaki + Partners Sdn Bhd ("Raine & Horne"), appraised the Atrium REIT's property portfolio at RM 161,600,000 representing no change in the fair value of the properties from the previous year's valuation.

#### **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.

### **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 December 09</b>	<b>Preceding Quarter As at 30 September 09</b>
Net asset value (RM'000)	126,410	126,510
Units in circulation (units) ('000)	121,801	121,801
Net asset value per unit (RM)	1.0378	1.0387
Market price per unit (RM)	0.92	0.78
Highest traded price per unit during the quarter (RM)	0.93	0.81
Lowest traded price per unit during the quarter (RM)	0.77	0.65

#### Quarterly Results

For the quarter ended 31 December 2009, the Atrium REIT recorded total revenue of RM 3,659,037 including other income of RM 119,617. Total expenditure for the quarter under review was RM 957,937 of which RM 361,501 is attributable to property expenses and RM 596,436 to non-property expenses. For the quarter under review, net income after taxation and available for distribution amounted to RM 2,701,100.

#### Profit Forecast Variances

In the Prospectus dated 28 February 2007, Atrium REIT projected gross rental income of RM13.750 million and profit before taxation of RM10.121 million for the financial year ending 31 December 2009. However, Atrium REIT's gross revenue and profit before taxation for the year only amounts to RM12.984 million and RM8.598 million respectively, falling short of the projections in the Prospectus by 5.6% and 15.0% respectively. The Trust's performance was affected by the shortfall in revenue from Atrium Shah Alam 2 and the Repairs and Rectification Costs incurred for Atrium Shah Alam 2.

### B4. Comparison with Preceding Quarter

	<b>Current Quarter 01.10.09 To 31.12.09 RM'000</b>	<b>Preceding Quarter 01.07.09 To 30.09.09 RM'000</b>
Gross revenue	3,539	3,539
Property expenses	(361)	(285)
<b>Net property income</b>	<u>3,178</u>	<u>3,254</u>
Interest income	101	97
Miscellaneous income	19	0
<b>Total income</b>	<u>3,298</u>	<u>3,351</u>



Trust expenses	(250)	(221)
Finance cost	(347)	(313)
<b>Net Income before taxation</b>	2,701	2,817
Taxation	0	0
<b>Net Income after taxation</b>	2,701	2,817

The Atrium REIT's Net Income for the current quarter ended 31 December 2009 decreased as compared to the preceding quarter due to an increase in property expenses, Trust expenses and finance cost. The Trust expenses increased due to the provision of valuation fees for the valuation exercise carried out by the Trust in compliance to Clause 10.03 of the Securities Commission's Guidelines on REIT and in pursuant to Financial Reporting Standard 140.

The increase in finance cost is due to an increase in the spread charged by Malayan Banking Berhad on the existing Short Term Revolving Credit ("STRC") facilities with effect from 11 September 2009.

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

The final cost for the rectification of Atrium Shah Alam 2 warehouse floor slab and general repair works ("Repairs and Rectification Works") is RM1,247,574 and has been fully provided for, in the second quarter of 2009.

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

#### **B6. Prospects**

For 2010, 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 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 31.12.2009 %	Date of valuation	Acquisition cost RM'000	Fair value RM'000	Percentage of fair value over Net Assets Value %
Atrium Shah Alam 1	Freehold	Industrial	100	31.12.2009	57,200	61,400	48.6
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2009	49,100	53,700	42.5
Atrium Puchong	Freehold	Industrial	100	31.12.2009	38,500	38,500	30.5
Atrium Rawang	Freehold	Industrial	100	31.12.2009	10,000	8,000	6.3
					154,800	161,600	

## B13. Borrowings and Debt Securities

	As at 31 December 2009 RM'000	As at 31 December 2008 RM'000
Short Term Revolving Credit ("STRC") - secured	45,000	45,000

The interest rate charged per annum is 0.75% above cost of fund (with effect from 11 September 2009). The interest rates for the STRC facility ranged from 3.05% to 3.06% per annum for the quarter under review.

The financial institution took a first legal charge over two investment properties valued at RM69.4 million as their securities. This financing facility has a maturity of 5 years from the date of first drawdown and will be repaid in full via a bullet repayment at maturity or renew for a further 5 years.

## B14. Unitholdings of Directors and their Related Parties

As at 31.12.2009	Number of units held	Percentage of total units %	Market value RM
<b>Direct unit holdings in Atrium REIT</b>			
Atrium REIT Managers Sdn Bhd	252,100	0.21	231,932
<b>Directors of the Manager:</b>			
Dato' Dr Ir Mohamad Khir Bin Harun (appointed on 5.10.2009)	-	-	-
Dato' Zakaria Meranun (resigned on 5.10.2009)	200,000	0.16	184,000
Wong Sui Ee	250,000	0.21	230,000
Lim Kok How (resigned on 28.10.2009)	200,000	0.16	184,000
Tor Peng Sie	100,000	0.08	92,000
How Hu Son	100,000	0.08	92,000
Soong Kwong Heng	55,000	0.05	50,600
<b>Related parties of the Manager:</b>			
Glory Blitz Industries Sdn Bhd	19,889,800	16.33	18,298,616
Sparkle Skyline Sdn Bhd	24,198,900	19.87	22,262,988
Vivid Images Sdn Bhd	5,000,000	4.11	4,600,000

The market value is determined by multiplying the number of units with the closing market price of RM0.92.

## B15. Taxation

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2009, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006. 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:

	1.10.2009 To 31.12.2009 RM'000	1.1.2009 To 31.12.2009 RM'000
Current tax expense	-	-
<b>Reconciliation of effective tax expense</b>		
Income before taxation	2,701	8,598

Income tax using Malaysian tax rate of 25%	675	2,150
Effect of income exempted from tax	(675)	(2,150)
Tax expense	-	-

## B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	<b>1.1.2009 to 31.12.2009 RM'000</b>	<b>1.1.2008 to 31.12.2008 RM'000</b>
Net property income	10,440	12,626
Interest income	411	612
Change in fair value of investment properties	-	6,800
Miscellaneous income	19	-
	<u>10,870</u>	<u>20,038</u>
Less: Expenses	(2,272)	(2,926)
Net income	8,598	17,112
Undistributed income		
- Realised	(133)	(81)
- Unrealised	-	(6,800)
	<u>8,465</u>	<u>10,231</u>
Total income distributions		
Distribution per unit (sen)		
- First Interim distribution paid on 5 June 2009 (2008: paid on 30 May 2008)	1.65	2.05
- Second Interim distribution paid on 11 September 2009 (2008: paid on 29 August 2008)	0.08	2.10
- Third Interim distribution payable on 30 November 2009 (2008: paid on 28 November 2008)	2.20	2.10
- Proposed final income distribution of 2.30 sen payable on 25 February 2010 (2008: 2.15 sen payable on 6 March 2009)	2.30	2.15

For the financial quarter ended 31 December 2009, the Board of Directors of the Manager has declared a final income distribution of 2.30 sen per unit to be paid on 25 February 2010 to the unitholders registered in the Record of Depositors on 8 February 2010.

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 2009)

## **B17. Responsibility Statement**

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with FRS 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 December 2009 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 21 January 2010.

By Order of the Board

LIM POH YEN (MAICSA 7009745)

NG YEN HOONG (LS 008016)

Company Secretaries

Atrium REIT Managers Sdn Bhd

Company No: 710526-V

(As the Manager of Atrium Real Estate Investment Trust)

Kuala Lumpur

Dated: 21 January 2010