

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

	(Unaudited) As at 31.03.2010 RM	(Audited) As at 31.12.2009 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	161,600,000	161,600,000
<b>Current assets</b>		
Trade and other receivables	777,170	624,866
Deposits with licensed financial institution	19,394,088	19,767,821
Bank balance	253,441	357,087
	<u>20,424,699</u>	<u>20,749,774</u>
<b>TOTAL ASSETS</b>	<u>182,024,699</u>	<u>182,349,774</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	7,989,362	8,138,272
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,557,821	2,801,423
	<u>55,547,183</u>	<u>55,939,695</u>
<b>TOTAL LIABILITIES</b>	<u>55,547,183</u>	<u>55,939,695</u>
<b>NET ASSET VALUE ("NAV")</b>	<u>126,477,516</u>	<u>126,410,079</u>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	119,351,580	119,351,580
Undistributed income		
- realised	325,936	258,499
- unrealised	6,800,000	6,800,000
	<u>126,477,516</u>	<u>126,410,079</u>
<b>TOTAL UNITHOLDERS' FUND</b>	<u>126,477,516</u>	<u>126,410,079</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	1.0594	1.0608
- after proposed distribution	<u>1.0384</u>	<u>1.0378</u>

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 31.03.2010 RM	Preceding Year Corresponding Quarter 31.03.2009 RM	Current Year to Date 31.03.2010 RM	Preceding Year to Date 31.03.2009 RM
Gross revenue	3,539,420	2,884,038	3,539,420	2,884,038
Property expenses	(307,479)	(325,093)	(307,479)	(325,093)
<b>NET PROPERTY INCOME</b>	<b>3,231,941</b>	<b>2,558,945</b>	<b>3,231,941</b>	<b>2,558,945</b>
Interest income	93,454	118,423	93,454	118,423
<b>TOTAL INCOME</b>	<b>3,325,395</b>	<b>2,677,368</b>	<b>3,325,395</b>	<b>2,677,368</b>
<b>TRUST EXPENSES</b>				
Manager's fees	(188,460)	(168,569)	(188,460)	(168,569)
Trustee's fees	(12,564)	(12,613)	(12,564)	(12,613)
Auditors' fees	(3,750)	(3,750)	(3,750)	(3,750)
Tax agent's fees	(4,490)	(1,050)	(4,490)	(1,050)
Borrowing cost	(339,552)	(391,336)	(339,552)	(391,336)
Valuation fees	(11,500)	-	(11,500)	-
Administrative expenses	(25,531)	(33,985)	(25,531)	(33,985)
Others	(114,290)	(80)	(114,290)	(80)
	(700,137)	(611,383)	(700,137)	(611,383)
<b>INCOME BEFORE TAXATION</b>	<b>2,625,258</b>	<b>2,065,985</b>	<b>2,625,258</b>	<b>2,065,985</b>
Taxation	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>2,625,258</b>	<b>2,065,985</b>	<b>2,625,258</b>	<b>2,065,985</b>
Provision for income distribution	(2,557,821)	(2,009,717)	(2,557,821)	(2,009,717)
<b>NET INCOME RETAINED</b>	<b>67,437</b>	<b>56,268</b>	<b>67,437</b>	<b>56,268</b>
<b>EARNINGS PER UNIT (sen)</b>				
- after manager's fees	2.16	1.70	2.16	1.70
- before manager's fees	2.31	1.83	2.31	1.83
<b>DISTRIBUTION PER UNIT (sen)</b>				
- interim	2.10	1.65	2.10	1.65
- final	-	-	-	-
<b>INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:</b>				
-Realised	2,625,258	2,065,985	2,625,258	2,065,985
-Unrealised	-	-	-	-

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 01.01.2010 to 31.03.2010**

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2010	119,351,580	258,499	6,800,000	126,410,079
<b>Operations for the period from - 1 January 2010 to 31 March 2010</b>				
Net income for the period	-	2,625,258	-	2,625,258
Increase in net assets resulting from operations	-	2,625,258	-	2,625,258
<b>Unitholders' transactions</b>				
Distributions to unitholders				
- paid	-	-	-	-
- provision	-	(2,557,821)	-	(2,557,821)
Decrease in net assets resulting from unitholders' transactions	-	(2,557,821)	-	(2,557,821)
<b>Net assets as at 31 March 2010</b>	<b>119,351,580</b>	<b>325,936</b>	<b>6,800,000</b>	<b>126,477,516</b>

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)**  
**For The Period from 01.01.2009 to 31.03.2009**

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2009	119,351,580	125,101	6,800,000	126,276,681
<b>Operations for the period from - 1 January 2009 to 31 March 2009</b>				
Net income for the period	-	2,065,985	-	2,065,985
Increase in net assets resulting from operations	-	2,065,985	-	2,065,985
<b>Unitholders' transactions</b>				
Distributions to unitholders - provision	-	(2,009,717)	-	(2,009,717)
Decrease in net assets resulting from unitholders' transactions	-	(2,009,717)	-	(2,009,717)
<b>Net assets as at 31 March 2009</b>	<b>119,351,580</b>	<b>181,369</b>	<b>6,800,000</b>	<b>126,332,949</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 2009 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED CASH FLOW STATEMENT (UNAUDITED)**  
**For The Period from 01.01.2010 to 31.03.2010**

	<b>Current Year to Date 31.03.2010 RM</b>	<b>Preceding Year to Date 31.03.2009 RM</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	2,625,258	2,065,985
Adjustments for:		
Interest income	(93,454)	(118,423)
Interest expense	339,552	391,336
Operating income before working capital changes	2,871,356	2,338,898
(Increase)/Decrease in trade and other receivables	(152,304)	267,485
Decrease in trade and other payables	(148,910)	(196,956)
Cash generated from operating activities	2,570,142	2,409,427
Tax paid	-	-
Net cash generated from operating activities	2,570,142	2,409,427
<b><u>Cash Flow From Investing Activities</u></b>		
Interest income	93,454	118,423
Net cash generated from investing activities	93,454	118,423
<b><u>Cash Flow Form Financing Activities</u></b>		
Interest paid	(339,552)	(391,336)
Distribution to unitholders	(2,801,423)	(2,618,721)
Net cash used in financing activities	(3,140,975)	(3,010,057)
<b>Net Decrease In Cash And Cash Equivalents</b>	(477,379)	(482,207)
<b>Cash And Cash Equivalents At The Beginning Of the Period</b>	20,124,908	19,915,468
<b>Cash And Cash Equivalents At The End Of the Period</b>	19,647,529	19,433,261
<b><u>Cash and cash equivalents</u></b>		
Cash and bank balances	253,441	591,684
Deposits with licensed financial institution	19,394,088	18,841,577
	<u>19,647,529</u>	<u>19,433,261</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 2010**

**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 2009.

**A2. Audit Report of Preceding Financial Year Ended 31 December 2009**

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 2.30 sen per unit, amounting to RM 2,801,423, in respect of the quarter ended 31 December 2009 on 25 February 2010. Based on the first quarter’s result ended 31 March 2010, there will be an interim distribution of 2.10 sen per unit, amounting to RM 2,557,821 to be made on the 27 May 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**

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 2009

## **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 March 2010</b>	<b>Preceding Quarter As at 31 December 2009</b>
Net asset value (RM)	126,477,516	126,410,079
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0384	1.0378
Market price per unit (RM)	0.94	0.92
Highest traded price per unit during the quarter (RM)	0.95	0.93
Lowest traded price per unit during the quarter (RM)	0.88	0.77

#### Quarterly Results

For the quarter ended 31 March 2010, the Atrium REIT recorded total revenue of RM 3,632,875 including other income of RM 93,454. Total expenditure for the quarter under review was RM 1,007,616 of which RM 307,479 is attributable to property expenses and RM 700,137 to non-property expenses. For the quarter under review, net income after taxation and available for distribution amounted to RM 2,625,258.

### B4. Comparison with Preceding Quarter

	<b>Current Quarter 01.01.2010 To 31.03.2010 RM</b>	<b>Preceding Quarter 01.10.2009 To 31.12.2009 RM</b>
Gross revenue	3,539,420	3,539,420
Property expenses	(307,479)	(361,501)
<b>Net property income</b>	<b>3,231,941</b>	<b>3,177,919</b>
Interest income	93,454	100,320
Miscellaneous income	-	19,297
<b>Total income</b>	<b>3,325,395</b>	<b>3,297,536</b>
Trust expenses	(360,585)	(249,382)
Finance cost	(339,552)	(347,054)
<b>Net Income before taxation</b>	<b>2,625,258</b>	<b>2,701,100</b>
Taxation	0	0
<b>Net Income after taxation</b>	<b>2,625,258</b>	<b>2,701,100</b>



The Atrium REIT's Net Income for the current quarter ended 31 March 2010 decreased slightly as compared to the preceding quarter due to an increase in Trust expenses and a slight decrease in other income even though there were savings in property expenses and finance costs. The increase in Trust expenses is due to provisions for legal fees, valuation fees and professional fees in anticipation of acquisitions in the pipeline.

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

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

#### **B6. Prospects**

Barring any unforeseen circumstances, the Manager expects all the properties of the Atrium REIT to maintain its 100% occupancy rates for 2010. The 100% occupancy rates of the properties are due to their competitive rental rates, strategic locations and excellent facilities.

The leases for Atrium Shah Alam 1 and Atrium Puchong will be expiring on 31 December 2010 and 18 September 2010 respectively. The Manager is in the midst of negotiation with the existing tenant for the renewal of the tenancies and expects the renewals to be concluded by the 2nd quarter of 2010.

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 31.03.2009 %	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	31.12.2009	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	30.4
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 March 2010 RM	As at 31 December 2009 RM
Short Term Revolving Credit (“STRC”) - secured	45,000,000	45,000,000

The interest rates for the STRC facility ranged from 3.06% to 3.33% 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 31.03.2010	Number of units held	Percentage of total units %	Market value RM
<b>Direct unit holdings in Atrium REIT</b>			
Atrium REIT Managers Sdn Bhd	302,100	0.25	283,974

As at 31.03.2010	Number of units held	Percentage of total units %	Market value RM
<b>Directors of the Manager:</b>			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	260,000	0.21	244,400
Tor Peng Sie	100,000	0.08	94,000
How Hu Son	100,000	0.08	94,000
Soong Kwong Heng	55,000	0.05	51,700
<b>Related parties of the Manager:</b>			
Glory Blitz Industries Sdn Bhd	19,889,800	16.33	18,696,412
Sparkle Skyline Sdn Bhd	24,198,900	19.87	22,746,966
Vivid Images Sdn Bhd	5,000,000	4.11	4,700,000

The market value is determined by multiplying the number of units with the closing market price of RM0.94.

## **B15. Taxation**

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2010, 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:

	<b>1.1.2010 To 31.3.2010 RM</b>	<b>1.1.2010 To 31.3.2010 RM</b>
Current tax expense	-	-
<b>Reconciliation of effective tax expense</b>		
Income before taxation	2,625,258	2,625,258
Income tax using Malaysian tax rate of 25%	656,315	656,315
Effect of income exempted from tax	(656,315)	(656,315)
Tax expense	-	-

## B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	<b>1.1.2010 to 31.3.2010 RM</b>	<b>1.1.2009 to 31.3.2009 RM</b>
Net property income	3,231,941	2,558,945
Interest income	93,454	118,423
	<hr/>	<hr/>
	3,325,395	2,677,368
Less: Expenses	(700,137)	(611,383)
Net income	2,625,258	2,065,985
Undistributed income		
- Realised	(67,437)	(56,268)
- Unrealised	-	-
	<hr/>	<hr/>
Total income distributions	2,557,821	2,009,717
	<hr/>	<hr/>
Distribution per unit (sen)		
- First Interim distribution paid on 27 May 2010 (2009: paid on 5 June 2009)	2.10	1.65

For the financial quarter ended 31 March 2010, the Board of Directors of the Manager has declared an interim income distribution of 2.10 sen per unit to be paid on 27 May 2010 to the unitholders registered in the Record of Depositors on 12 May 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 2010)

## 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 March 2010 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 27 April 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: 27 April 2010