

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

	(Unaudited) As at 31.03.2011 RM	(Audited) As at 31.12.2010 RM
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investment properties	163,000,000	163,000,000
<b>Current assets</b>		
Trade and other receivables	1,178,862	579,254
Deposits with licensed financial institution	19,543,791	19,803,050
Bank balance	534,934	521,830
	<u>21,257,587</u>	<u>20,904,134</u>
<b>TOTAL ASSETS</b>	<u>184,257,587</u>	<u>183,904,134</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	8,749,109	8,377,490
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,618,721	2,679,622
	<u>56,367,830</u>	<u>56,057,112</u>
<b>TOTAL LIABILITIES</b>	<u>56,367,830</u>	<u>56,057,112</u>
<b>NET ASSET VALUE ("NAV")</b>	<u>127,889,757</u>	<u>127,847,022</u>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	119,351,580	119,351,580
Undistributed income		
- realised	338,177	295,442
- unrealised	8,200,000	8,200,000
	<u>127,889,757</u>	<u>127,847,022</u>
<b>TOTAL UNITHOLDERS' FUND</b>	<u>127,889,757</u>	<u>127,847,022</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	1.0715	1.0716
- after proposed distribution	<u>1.0500</u>	<u>1.0496</u>

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2011 RM	Preceding Year Corresponding Quarter 31.03.2010 RM	Current Year to Date 31.03.2011 RM	Preceding Year to Date 31.03.2010 RM
Gross revenue	3,519,585	3,539,420	3,519,585	3,539,420
Property expenses	(339,277)	(307,479)	(339,277)	(307,479)
<b>NET PROPERTY INCOME</b>	<b>3,180,308</b>	<b>3,231,941</b>	<b>3,180,308</b>	<b>3,231,941</b>
Interest income	141,615	93,454	141,615	93,454
Miscellaneous income	5,873		5,873	
<b>TOTAL INCOME</b>	<b>3,327,796</b>	<b>3,325,395</b>	<b>3,327,796</b>	<b>3,325,395</b>
<b>TRUST EXPENSES</b>				
Manager's fees	(189,178)	(188,460)	(189,178)	(188,460)
Trustee's fees	(12,612)	(12,564)	(12,612)	(12,564)
Auditors' fees	(4,500)	(3,750)	(4,500)	(3,750)
Tax agent's fees	(1,125)	(4,490)	(1,125)	(4,490)
Borrowing cost	(430,495)	(339,552)	(430,495)	(339,552)
Valuation fees	-	(11,500)	-	(11,500)
Administrative expenses	(28,430)	(25,531)	(28,430)	(25,531)
Others	-	(114,290)	-	(114,290)
	(666,340)	(700,137)	(666,340)	(700,137)
<b>INCOME BEFORE TAXATION</b>	<b>2,661,456</b>	<b>2,625,258</b>	<b>2,661,456</b>	<b>2,625,258</b>
Taxation	-	-	-	-
<b>INCOME AFTER TAXATION</b>	<b>2,661,456</b>	<b>2,625,258</b>	<b>2,661,456</b>	<b>2,625,258</b>
Provision for income distribution	(2,618,721)	(2,557,821)	(2,618,721)	(2,557,821)
<b>NET INCOME RETAINED</b>	<b>42,735</b>	<b>67,437</b>	<b>42,735</b>	<b>67,437</b>
<b>EARNINGS PER UNIT (sen)</b>				
- after manager's fees	2.19	2.16	2.19	2.16
- before manager's fees	2.34	2.31	2.34	2.31
<b>DISTRIBUTION PER UNIT (sen)</b>				
- interim	2.15	2.10	2.15	2.10
- final	-	-	-	-
<b>INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:</b>				
-Realised	2,661,456	2,625,258	2,661,456	2,625,258
-Unrealised	-	-	-	-

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 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 01.01.2011 to 31.03.2011**

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2011	119,351,580	295,442	8,200,000	127,847,022
<b>Operations for the period from - 1 January 2011 to 31 March 2011</b>				
Net income for the period	-	2,661,456	-	2,667,456
Increase in net assets resulting from operations	-	2,661,456	-	2,667,456
<b>Unitholders' transactions</b>				
Distributions to unitholders				
- paid	-	-	-	-
- provision	-	(2,618,721)	-	(2,618,721)
Decrease in net assets resulting from unitholders' transactions	-	(2,618,721)	-	(2,618,721)
<b>Net assets as at 31 March 2011</b>	<b>119,351,580</b>	<b>338,177</b>	<b>8,200,000</b>	<b>127,889,757</b>

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)**  
**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>

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 2010 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 31.03.2011 RM</b>	<b>Preceding Year to Date 31.03.2010 RM</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	2,661,456	2,625,258
Adjustments for:		
Interest income	(141,615)	(93,454)
Interest expense	430,495	339,552
Operating income before working capital changes	2,950,336	2,871,356
Increase in trade and other receivables	(599,608)	(152,304)
Increase/(Decrease) in trade and other payables	371,619	(148,910)
Cash generated from operating activities	2,722,347	2,570,142
Tax paid	-	-
Net cash generated from operating activities	2,722,347	2,570,142
<b><u>Cash Flow From Investing Activities</u></b>		
Interest income	141,615	93,454
Net cash generated from investing activities	141,615	93,454
<b><u>Cash Flow Form Financing Activities</u></b>		
Interest paid	(430,495)	(339,552)
Distribution to unitholders	(2,679,622)	(2,801,423)
Net cash used in financing activities	(3,110,117)	(3,140,975)
<b>Net Decrease In Cash And Cash Equivalents</b>	(246,155)	(477,379)
<b>Cash And Cash Equivalents At The Beginning Of the Period</b>	20,324,880	20,124,908
<b>Cash And Cash Equivalents At The End Of the Period</b>	20,078,725	19,647,529
<b><u>Cash and cash equivalents</u></b>		
Cash and bank balances	534,934	253,441
Deposits with licensed financial institution	19,543,791	19,394,088
	<u>20,078,725</u>	<u>19,647,529</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 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 2011**

**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 2010.

**A2. Audit Report of Preceding Financial Year Ended 31 December 2010**

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 31 December 2010 on 4 March 2011. Based on the first quarter’s result ended 31 March 2011, there will be an

interim distribution of 2.15 sen per unit, amounting to RM 2,618,722 to be made on the 31 May 2011.

#### **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 2010.

#### **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 2011</b>	<b>Preceding Quarter As at 31 December 2010</b>
Net asset value (RM)	127,889,757	127,847,022
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0500	1.0496
Market price per unit (RM)	1.05	1.06
Highest traded price per unit during the quarter (RM)	1.08	1.08
Lowest traded price per unit during the quarter (RM)	1.00	0.99

#### Quarterly Results

For the quarter ended 31 March 2011, the Atrium REIT recorded total income of RM 3,327,796 which is slightly higher than the corresponding quarter of RM 3,325,395. Net income before taxation for the quarter of RM 2,661,456 represents an increase of 1.38% compared to RM 2,625,258 achieved in the last corresponding quarter.

The higher income before taxation is due to higher interest income and lower other expenses even though the Trust recorded higher borrowing costs, property expenses and slightly lower gross revenue for the quarter under review.

### B4. Comparison with Preceding Quarter

	<b>Current Quarter 01.01.2011 To 31.03.2011 RM</b>	<b>Preceding Quarter 01.10.2010 To 31.12.2010 RM</b>
Gross revenue	3,519,585	3,513,057
Property expenses	(339,277)	(341,696)
<b>Net property income</b>	<b>3,180,308</b>	<b>3,171,361</b>
Interest income	141,615	139,613
Change in fair value of investment properties	-	1,400,000
Miscellaneous income	5,873	8,027
<b>Total income</b>	<b>3,327,796</b>	<b>4,719,001</b>
Trust expenses	(235,845)	(262,262)
Finance cost	(430,495)	(433,109)
<b>Income before taxation</b>	<b>2,661,456</b>	<b>4,023,630</b>
Taxation	0	0
<b>Income after taxation</b>	<b>2,661,456</b>	<b>4,023,630</b>



The Atrium REIT's income before taxation for the current quarter ended 31 March 2011 decreased as compared to the preceding quarter mainly due to the change in fair value of investment properties in the previous quarter.

## **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 the Atrium REIT during the quarter under review.

## **B6. Prospects**

### **Atrium Shah Alam 1**

The draft tenancy agreement for this property has been submitted to the tenant, DHL and is pending their confirmation.

### **Atrium Puchong**

The relevant documentations pertaining to the renewal of the lease on this property has been executed but pending release by the tenant, DHL as they are still waiting for their internal documentation to be completed.

### **Atrium Rawang**

Unilever Foods (Malaysia) Sdn Bhd ("Unilever") has confirmed that they will be renewing the rental of Atrium Rawang for another 2 years with option for another year from the expiry of the current lease on 31 October 2011. The Manager has appointed Messrs Abu Talib Shahrom as the solicitors to attend to the new tenancy agreement.

Unilever has also confirmed that they will be undertaking the extension of the factory ("Extension Works") to increase the production area as the existing facility is insufficient to cater to their production needs. The Extension Works will increase the gross floor area of Atrium Rawang by approximately 3,218 square feet ("Extension Area"). However no rental will be chargeable on the Extension Area as the Extension Works' costs and expenses will be fully borne by Unilever.

For 2011, 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 31.03.2011 %	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	31.12.2010	57,200	62,000	48.5
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2010	49,100	54,500	42.6
Atrium Puchong	Freehold	Industrial	100	31.12.2010	38,500	38,500	30.1
Atrium Rawang	Freehold	Industrial	100	31.12.2010	10,000	8,000	6.3
					154,800	163,000	

### B13. Borrowings and Debt Securities

	As at 31 March 2011 RM	As at 31 December 2010 RM
Short Term Revolving Credit (“STRC”) - secured	45,000,000	45,000,000

The interest rates for the STRC facility ranged from 3.79% to 3.93% per annum for the quarter under review. The financial institution took a first legal charge over two investment properties valued at RM70.0 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 31.03.2011	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	317,205

As at 31.03.2011	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	300,000	0.25	315,000
Tor Peng Sie	100,000	0.08	105,000
How Hu Son	100,000	0.08	105,000
Soong Kwong Heng	55,000	0.05	57,750

#### **Related parties of the Manager:**

Glory Blitz Industries Sdn Bhd	20,014,800	16.43	21,015,540
Sparkle Skyline Sdn Bhd	9,258,900	7.60	9,721,845
Chan Kam Tuck	15,494,300	12.72	16,269,015
Chan Kum Chong	70,000	0.06	73,500

The market value is determined by multiplying the number of units with the closing market price of RM1.05 per unit.

## 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>1.1.2011 To 31.3.2011 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	2,661,456	2,661,456
Income tax using Malaysian tax rate of 25%	665,364	665,364
Effect of income exempted from tax	(665,364)	(665,364)
Tax expense	-	-

## B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	<b>1.1.2011 to 31.3.2011 RM</b>	<b>1.1.2010 to 31.3.2010 RM</b>
Net property income	3,180,308	3,231,941
Interest income	141,615	93,454
Miscellaneous income	5,873	-
	3,327,796	3,325,395
Less: Expenses	(666,340)	(700,137)
Net income	2,661,456	2,625,258
Undistributed income		
- Realised	(42,735)	(67,437)
- Unrealised	-	-
Total income distributions	2,618,721	2,557,821
Distribution per unit (sen)		
- First Interim distribution payable on 31 May 2011 (2010: paid on 27 May 2010)	2.15	2.10

For the financial quarter ended 31 March 2011, the Board of Directors of the Manager has declared an interim income distribution of 2.15 sen per unit to be paid on 31 May 2011 to the unitholders registered in the Record of Depositors on 11 May 2011.

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 2011)

#### **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 2011 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 22 April 2011.

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: 25 April 2011