



ATRIUM REAL ESTATE INVESTMENT TRUST

Condensed Financial Statements

First Quarter Ended 31 March 2013

Contents

Condensed Statement of Financial Position	1
Condensed Statement of Comprehensive Income	2
Condensed Statement of Changes In Net Asset Value	3 to 4
Condensed Statement of Cash Flows	5
Notes to the Financial Statements	6 to 13

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31.03.2013 RM	(Audited) As at 31.12.2012 RM
ASSETS		
Non-current assets		
Investment properties	208,100,000	208,100,000
Current assets		
Trade and other receivables	991,342	587,616
Deposits with licensed financial institution	12,045,493	13,095,751
Bank balance	397,060	191,795
	<u>13,433,895</u>	<u>13,875,162</u>
TOTAL ASSETS	<u>221,533,895</u>	<u>221,975,162</u>
LIABILITIES		
Non-current liabilities		
Trade and other payables	2,615,611	2,585,611
Borrowings	20,000,000	20,000,000
	<u>22,615,611</u>	<u>22,585,611</u>
Current liabilities		
Trade and other payables	3,153,438	3,683,257
Borrowings	45,000,000	45,000,000
	<u>48,153,438</u>	<u>48,683,257</u>
TOTAL LIABILITIES	<u>70,769,049</u>	<u>71,268,868</u>
NET ASSET VALUE (“NAV”)	<u>150,764,846</u>	<u>150,706,294</u>
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	119,351,580	119,351,580
Undistributed income	31,413,266	31,354,714
TOTAL UNITHOLDERS’ FUNDS	<u>150,764,846</u>	<u>150,706,294</u>
NUMBERS OF UNITS IN CIRCULATION (UNITS)	<u>121,801,000</u>	<u>121,801,000</u>
NAV PER UNIT (RM)		
- before proposed distribution	1.2378	1.2373
- after proposed distribution (Note 1)	1.2158	1.2153

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2012 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 2013 of 2.20 sen per unit payable on 31 May 2013.)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.03.2013 RM	Preceding Year Corresponding Quarter 31.03.2012 RM	Current Year to Date 31.03.2013 RM	Preceding Year to Date 31.03.2012 RM
Gross revenue	4,124,519	4,049,660	4,124,519	4,049,660
Property operating expenses	(440,245)	(430,245)	(440,245)	(430,245)
Net rental income	3,684,274	3,619,415	3,684,274	3,619,415
Interest income	114,356	101,494	114,356	101,494
Miscellaneous income	-	-	-	-
Total income	3,798,630	3,720,909	3,798,630	3,720,909
Trust expenses				
Manager's fees	(295,797)	(200,788)	(295,797)	(200,788)
Trustee's fees	(24,033)	(13,386)	(24,033)	(13,386)
Auditors' fees	(4,500)	(4,500)	(4,500)	(4,500)
Tax agent's fees	(1,170)	(1,110)	(1,170)	(1,110)
Finance costs	(683,827)	(752,206)	(683,827)	(752,206)
Valuation fees	-	-	-	-
Administrative expenses	(51,129)	(28,942)	(51,129)	(28,942)
Others	-	-	-	-
Total Expenses	(1,060,456)	(1,000,932)	(1,060,456)	(1,000,932)
Income before taxation	2,738,174	2,719,977	2,738,174	2,719,977
Taxation	-	-	-	-
Net income/Total comprehensive income for the period	2,738,174	2,719,977	2,738,174	2,719,977
Net income for the period is made up as follows:				
-Realised	2,738,174	2,719,977	2,738,174	2,719,977
-Unrealised	-	-	-	-
Earnings per unit (sen)				
- after manager's fees	2.25	2.23	2.25	2.23
- before manager's fees	2.49	2.40	2.49	2.40
Distribution per unit (sen)				
- Proposed first interim	2.20	2.20	2.20	2.20

The Condensed Statement of Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2012 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 01.01.2013 to 31.03.2013

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
Net assets as at 1 January 2013	119,351,580	3,054,714	28,300,000	150,706,294
Operations for the period from - 1 January 2013 to 31 March 2013				
Net income for the period	-	2,738,174	-	2,738,174
Increase in net assets resulting from operations	-	2,738,174	-	2,738,174
Unitholders' transactions				
Distributions to unitholders - 2012 Final	-	(2,679,622)	-	(2,679,622)
Decrease in net assets resulting from unitholders' transactions	-	(2,679,622)	-	(2,679,622)
Net assets as at 31 March 2013	<u>119,351,580</u>	<u>3,113,266</u>	<u>28,300,000</u>	<u>150,764,846</u>

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

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

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 2012 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS
For The Period from 01.01.2013 to 31.03.2013

	Current Year to Date 31.03.2013 RM	Preceding Year to Date 31.03.2012 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	2,738,174	2,719,977
Adjustments for:		
Interest income	(114,356)	(101,494)
Interest expense	683,827	752,206
Operating income before working capital changes	3,307,645	3,370,689
(Increase)/decrease in trade and other receivables	(403,726)	828,267
Decrease in trade and other payables	(499,819)	(3,739,828)
Cash generated from operating activities	2,404,100	459,128
Tax paid	-	-
Net cash generated from operating activities	2,404,100	459,128
<u>Cash Flow From Investing Activities</u>		
Interest income	114,356	101,494
Net cash generated from investing activities	114,356	101,494
<u>Cash Flow From Financing Activities</u>		
Interest paid	(683,827)	(752,206)
Distribution to unitholders	(2,679,622)	(2,594,361)
Net cash used in financing activities	(3,363,449)	(3,346,567)
Net Decrease In Cash And Cash Equivalents	(844,993)	(2,785,945)
Cash And Cash Equivalents At The Beginning Of the Period	13,287,546	15,280,669
Cash And Cash Equivalents At The End Of the Period	12,442,553	12,494,724
<u>Cash and cash equivalents</u>		
Cash and bank balances	397,060	537,220
Deposits with licensed financial institution	12,045,493	11,957,504
	<u>12,442,553</u>	<u>12,494,724</u>

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2012 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 2013

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 2012.

A2. Audit Report of Preceding Financial Year Ended 31 December 2012

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 a final income distribution of 2.20 sen per unit, amounting to RM 2,679,622 in respect of the quarter ended 31 December 2012 on 28 February 2013. Based on the first quarter's results ended 31 March 2013, there will be an interim distribution of 2.20 sen per unit, amounting to RM 2,679,622 to be distributed on the 31 May 2013.

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 the investment properties have been brought forward without amendment from the audited financial statements for the year ended 31 December 2012.

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 2013 RM	As at 31 December 2012 RM
<u>Realised</u>		
Distributable undistributed income	3,113,266	3,054,715
<u>Unrealised</u>		
Cumulative net changes arising from the fair value adjustments to the investment properties	28,300,000	28,300,000
	<u>31,413,266</u>	<u>31,354,715</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

	Current Quarter As at 31 March 2013	Immediate Preceding Quarter As at 31 December 2012
Net asset value (RM)	150,764,846	150,706,294
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.2378	1.2373
Market price per unit (RM)	1.26	1.29
Highest traded price per unit during the quarter (RM)	1.31	1.30
Lowest traded price per unit during the quarter (RM)	1.17	1.22

Quarterly Results

For the quarter ended 31 March 2013, Atrium REIT recorded total income of RM3,798,630 which is 2.09% higher than the last corresponding quarter of RM3,720,909. Income before taxation for the quarter of RM2,738,174 represents a slight increase compared to RM2,719,977 achieved in the last corresponding quarter.

The increase in Trust Expenses is due to the increase in Manager's fees, Trustee's fees and administrative expenses. The Manager's and Trustee's fees increased to 0.8% per annum and 0.065% per annum respectively with effect from 1 April 2012. The increase in administrative expenses is due to the legal fees and incidental costs incurred to secure a new tenant for Atrium USJ - Block C.

B4. Comparison with Preceding Quarter

	Current Quarter 01.01.2013 To 31.03.2013 RM	Preceding Quarter 01.10.2012 To 31.12.2012 RM
Gross revenue	4,124,519	4,117,229
Property expenses	(440,245)	(440,389)
Net property income	<u>3,684,274</u>	<u>3,676,840</u>
Interest income	114,356	105,666
Change in fair value of investment properties	-	13,400,000
Miscellaneous income	-	-
Total income	<u>3,798,630</u>	<u>17,182,506</u>
Trust expenses	(1,060,456)	(1,159,705)
Income before taxation	<u>2,738,174</u>	<u>16,022,801</u>
Taxation	-	-
Net income	<u>2,738,174</u>	<u>16,022,801</u>
Net income for the financial quarter is made up as follows:		
-Realised	2,738,174	2,622,801
-Unrealised	-	13,400,000
	<u>2,738,174</u>	<u>16,022,801</u>

Atrium REIT's Net Income for the quarter ended 31 March 2013 is lower compared to the preceding quarter mainly due to the positive change in fair value of the investment properties.

However, Atrium REIT's Net Income (Realised) for the quarter under review increased as compared to the preceding quarter mainly due to a decrease in the Trust expenses. The Trust expenses were higher in the previous quarter due to the following expenses incurred in that quarter: valuation fees and commissions paid to real estate agent to secure a new tenant for Atrium USJ - Block C.

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. There appears to be further soil movement which is causing crack lines and undulation to new areas of the floor slab. Remedial works have been carried out to address these crack lines and undulation at the said areas.

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

B6. Prospects

Currently, all the properties of the Atrium REIT are fully tenanted and the Manager expects to maintain its 100% occupancy rates for all the Trust's properties in 2013. 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. As at 31 March 2013, the portfolio composition of Atrium REIT is as follows:

Investments in Real Estates

Description of property	Tenure of land	Existing use	Occupancy rate as at 31.03.2013 %	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	31.12.2012	57,200	69,700	46.2
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2012	49,100	57,000	37.8
Atrium Puchong	Freehold	Industrial	100	31.12.2012	38,500	43,600	28.9
Atrium Rawang	Freehold	Industrial	100	31.12.2012	10,000	8,800	5.8
Atrium USJ	Freehold	Industrial	100	31.12.2012	25,000	29,000	19.2
						179,800	208,100

8. 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. Revenue Recognition

Rental and interest income are recognized on an accrual basis.

B13. Manager's Fees

Pursuant to the Deed dated 20 November 2006 and the Supplementary Trust Deed dated 25 November 2008, the Manager is entitled to receive a fee of up to 1.0% per annum of the Net Asset Value ("NAV") of the Trust.

For the quarter ended 31 March 2013, the Manager received a fee of 0.8% per annum of the NAV of the Trust.

B14. Trustee's Fees

For the quarter ended 31 March 2013, the Trustee received a fee of 0.065% per annum of the NAV of the Trust.

B15. Borrowings and Debt Securities

	As at 31 March 2013 RM	As at 31 December 2012 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	20,000,000	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 4.10% to 4.21% per annum for the quarter under review.

The interest rate for the TL facility is 4.415% 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.

B16. Unitholdings of Directors and their Related Parties

As at 31.03.2013	Number of units held	Percentage of total units %	Market value RM
Direct unit holdings in Atrium REIT			
Atrium REIT Managers Sdn Bhd	454,800	0.37	573,048
Directors of the Manager:			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	323,000	0.27	406,98
Tor Peng Sie	100,000	0.08	126,000
How Hu Son	100,000	0.08	126,000
Soong Kwong Heng	55,000	0.05	69,300
Glory Blitz Industries Sdn Bhd	20,024,800	16.44	25,231,248
Sparkle Skyline Sdn Bhd	9,258,900	7.60	11,666,214
Chan Kam Tuck (note 1)	15,704,500	12.89	19,876,670
Chan Kum Chong	70,000	0.06	88,200

The market value is determined by multiplying the number of units with the closing market price of RM1.26 per unit.

Note 1 - Unitholding under Chan Kam Tuck is made up of his individual holding of 5,704,500 units and his deemed holding under a trust where he is the beneficiary.

B17. Taxation

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2013, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006. Thus, 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:

	01.01.2013 To 31.03.2013 RM	01.01.2012 To 31.03.2012 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	2,738,174	2,719,977
Income tax using Malaysian tax rate of 25%	684,544	679,994
Effect of income exempted from tax	(684,544)	(679,994)
Tax expense	-	-

B18. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	01.01.2013 To 31.03.2013 RM	01.01.2012 To 31.03.2012 RM
Net property income	3,684,274	3,619,415
Interest income	114,356	101,494
	<hr/>	<hr/>
Less: Expenses	3,798,630 (1,060,456)	3,720,909 (1,000,932)
	<hr/>	<hr/>
Net income	2,738,174	2,719,977
Less: Proposed first interim distribution	(2,679,622)	(2,679,622)
	<hr/>	<hr/>
Balance undistributed income	58,552	40,355
	<hr/>	<hr/>
Distribution per unit (sen)		
- First interim distribution payable on 31 May 2013 (2012: paid on 31 May 2012)	2.20	2.20

For the financial quarter ended 31 March 2013, the Board of Directors of the Manager has declared a first interim income distribution of 2.20 sen per unit to be paid on 31 May 2013 to the unitholders registered in the Record of Depositors on 6 May 2013.

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)

B19. 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 2013 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 18 April 2013.

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: 18 April 2013