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Our Mission

To maximise income in order to reward unitholders with a competitive rate of return for their investments through regular and stable distributions and achieving long-term growth in distributions and Net Asset Value per unit.

Profile of Atrium Real Estate Investment Trust





Atrium REIT is an industrial asset focused real estate investment trust constituted by a Trust Deed entered into on 20 November 2006 and amended by the Supplementary Deed dated 25 November 2008 between CIMB Commerce Trustee Berhad as the Trustee and Atrium REIT Managers Sdn Bhd as the Manager. Atrium REIT was listed on Main Board of Bursa Malaysia Securities Berhad on 2 April 2007

Atrium REIT's property portfolio consists of four industrial properties located in prime locations in the Klang Valley, namely, Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Puchong and Atrium USJ.





Financial Highlights



Gross Dividend Yield per annum



Distribution Per Unit per annum



Occupancy



Gearing level



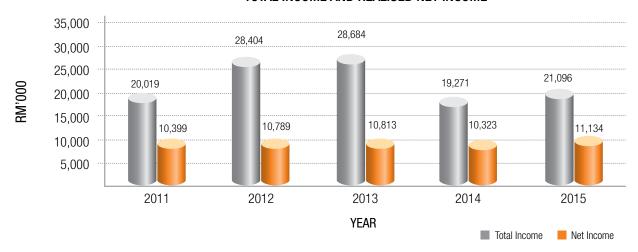
Management Expense Ratio



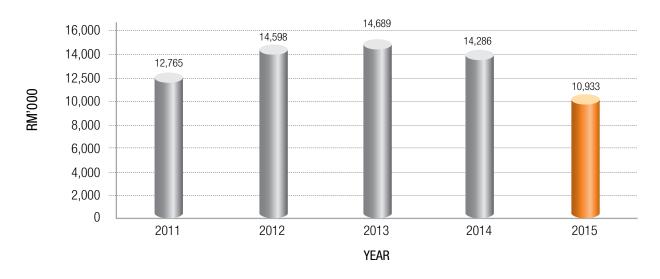
Net Asset Value per unit

Financial Highlights

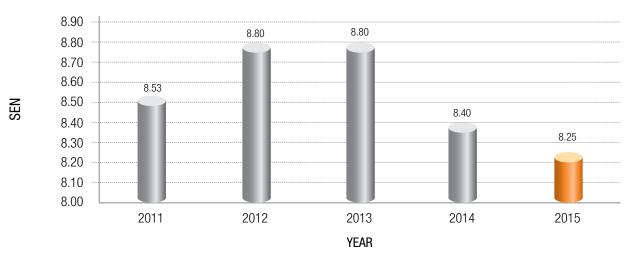
TOTAL INCOME AND REALISED NET INCOME



NET PROPERTY INCOME



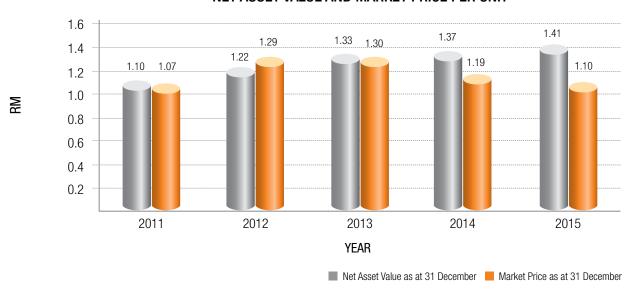
DISTRIBUTION PER UNIT



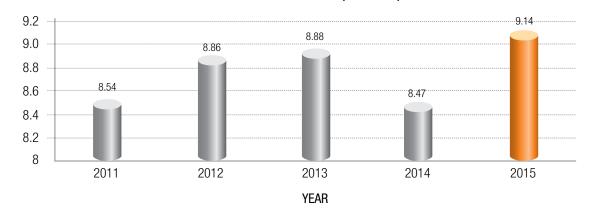
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Financial Highlights

NET ASSET VALUE AND MARKET PRICE PER UNIT



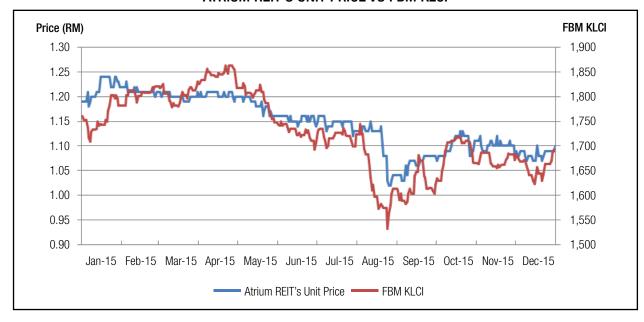
EARNINGS PER UNIT (Realised)



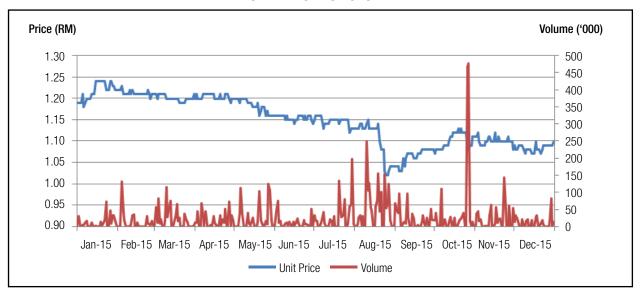


Financial Highlights

ATRIUM REIT'S UNIT PRICE VS FBM KLCI



UNIT PRICE VS VOLUME



	2015	2014	2013	2012	2011
Asset Under Management (RM'000)	221,900	226,200	221,700	208,100	194,700
Total Borrowings (RM'000)	59,600	65,000	65,000	65,000	65,000
Total Unitholders Funds (RM'000)	173,272	168,505	164,401	150,706	137,151
Market Capitalisation ² (RM'000)	133,981	144,943	158,341	157,123	130,327
Unit Price ² (RM)	1.10	1.19	1.30	1.29	1.07
Units in Circulation ('000)	121,801	121,801	121,801	121,801	121,801

^{2.} Based on respective closing prices on 31 December

Salient Features of the Fund

Name of fund	: Atrium REIT
Fund category	: Real Estate
Fund type	: Growth and income
Investment objectives	: To maximise income in order to reward unitholders with annual stable distributions of income and to acquire quality assets to achieve long-term growth in the Net Asset Value per unit of the Fund
Fund investment strategy	: Aim to achieve the primary objectives of the Fund by implementing investment and growth strategies such as organic growth strategies, acquisition strategies and financing strategies.
Term of the Trust	: Atrium REIT will continue its operation until such time as determined by the Trustee and the Manager as provided under the provision of Clause 19 of the Trust Deed dated 20 November 2006.
Approved size of Fund	: 121,801,000 units
Authorised investments	: - Invest in real estates, single-purpose companies, real estate-related assets, non-real estate-related assets and liquid assets
	- At least 50% of the total asset value of Atrium REIT must be invested in real estate assets and/or single-purpose companies at all times; and
	 Investment in non-real estate-related assets and/or cash, deposits and money market instruments must not exceed 25% of Atrium REIT's total asset value.
Financial year end	: 31 December
Distribution policy	: At least 90% of the distributable income of Atrium REIT shall be distributed semi- annually or at such other intervals as determined by the Manager in its absolute discretion; in arrears.
Borrowing limitations	: Up to 50% of the total asset value of the Fund at the time the borrowing is incurred.
Revaluation policy	: The real estates shall be revalued at least once every (3) years from the date of the last valuation (or such other times as required under the Securities Commission Guidelines on REITs), or at any time where the Trustee, the Manager or the independent auditor appointed by Atrium REIT reasonably believes that there has been a significant change in the value of real estates.
Redemption policy	: Unitholders have no right to request the Fund to repurchase their units while the units are listed.
Minimum initial investment	: Minimum of 100 units
Minimum additional investments	: Multiples of 100 units
Investor profile	: Suitable for investors who understand the risks related to the real estate industry and expect to benefit from the periodic distribution of income and long term growth of the Fund.
Board lot	: 100 units per board lot
Quotation	: Main Board of Bursa Malaysia Securities Berhad
Bursa Malaysia Stock Number	: ATRIUM 5130

Chairman's Statement



Dear Unitholders,

On behalf of the Board of Directors of Atrium REIT Managers Sdn Bhd ("Manager"), once again I derive great pleasure of presenting to you the Annual Report of the Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust") for the financial year ended 31 December 2015 ("FY2015").

Overview

For the FY2015, Atrium REIT completed the disposal of Atrium Rawang for a cash consideration of RM13.50 million. Atrium REIT's portfolio as at 31 December 2015 comprised four properties with a total net lettable area of approximately 903,748 square feet. As a result of the non-renewal of the expired tenancy for Atrium Shah Alam 2 and the partial void in Atrium Puchong, portfolio occupancy dropped to 65.23% (2014:78.25%). The Manager took the opportunity of the vacancy in Atrium Shah Alam 2 to carry out an Asset Enhancement Initiatives ("AEI"), the details of which are disclosed herein this Chairman Statement and the Manager's Report and did not immediately secure a new tenant for the said property. However, as at the date of this report, I am pleased to inform the unitholders that the Manager has since secured a new tenant and pending the execution of the tenancy agreement, the tenancy is targeted to commence in the second quarter of 2016.

Notwithstanding the above, a total of approximately 505,905 sq ft of space was extended/rented/renewed during FY2015 with positive rental reversion which is expected to have a positive impact on the Trust's portfolio income.

In compliance to Clause 10.03 of the Securities Commission's Guidelines on REITs and the Malaysian Financial Reporting Standard 140, a revaluation was carried out by the Trust on its portfolio of properties at the close of FY2015. First

Pacific Valuers Property Consultants Sdn Bhd, an independent registered valuer appointed to carry out this revaluation exercise, has adopted a combination of valuation methods in their assessments and a net fair value gain on revaluation of RM4.29 million has been duly reflected in the financial statements, giving a total value of asset under management of RM221.90 million.

Distribution per unit ("DPU") for FY2015 decreased to 8.25 sen per unit as a result of the temporary rental void in Atrium Shah Alam 2 and partial void in Atrium Puchong even though there was a capital distribution from the one-off gain on the disposal of Atrium Rawang. The decrease was further compounded by an increase in the property and Trust expenses. The total assets decreased to RM238.80 million while the gearing level reduced to 24.96% as at 31 December 2015, which provides significant debt headroom for future acquisitions.

Financial Performance

Atrium REIT registered gross revenue of RM12.87 million and net property income of RM10.93 million for FY2015, a decrease from RM16.15 million and RM14.29 million respectively, from the last financial year ended 31 December 2014 ("FY2014").

However, the Trust's net income before tax increased to RM15.58 million in FY2015 as compared to RM14.82 million for FY2014, as a result of a one off gain on disposal of Atrium Rawang, and an increase in

other income during the current financial year even though the Trust's expenses increased substantially during the year. The increase in Trust's expenses is due mainly to the real estate agents' fees for lease/rental of Atrium Shah Alam 1, Atrium Puchong and disposal of Atrium Rawang.

As at 31 December 2015, Atrium REIT's NAV increased to RM173.27 million, representing a marginal increase of 2.83% y-o-y as a result of the fair value gain on revaluation of the Trust's investment properties.

Distribution to Unitholders

Atrium REIT has consistently strived to deliver sustainable and stable distributable income since its listing in 2007. The Board of Directors of the Manager has declared a final income distribution of 1.30 sen per unit in respect of the fourth quarter of FY2015, which shall be payable on 29 February 2016. The final income distribution, coupled with the aggregate interim income distributions during the financial year of 6.95 sen per unit, represents a total distribution per unit ("DPU") of 8.25 sen for FY2015 (FY2014: 8.40 sen). The distribution yield for FY2015 is 7.50% based on the Atrium REIT's closing market price of RM1.10 per unit as at 31 December 2015 (FY2014: 7.06% distribution yield at closing market price of RM1.19 per unit as at 31 December 2014).

Chairman's Statement

Operations Review

During the financial year, the Manager successfully renewed the tenancy for Atrium USJ-Block B, rented out part of Atrium Puchong whilst the tenancy for Atrium Shah Alam 1 was extended by replacing DHL Properties (Malaysia) Sdn Bhd with a new tenant, Marelli Asia Pacific Sdn Bhd. Atrium REIT experienced net positive rental reversions for all the tenancies renewed in FY2015, an indication of the quality of the tenants and the properties owned by the Trust.

The Manager undertook an AEI for Atrium Shah Alam 1 involving the replacement of one new passenger lift, changing of the whole warehouse lighting system, upgrading of the power supply, installation of additional translucent sheets around the perimeter of the warehouse building, external wall and facade repainting and upgrading of the toilets in the office building. The AEI is expected to be completed in the first quarter of 2016 at an estimated cost of approximately RM3.0 million, excluding Goods and Services Tax.

The Manager also took the opportunity to carry out an AEI at Atrium Shah Alam 2 when the previous tenant, CEVA Logistics (Malaysia) Sdn Bhd moved out of the premises. The AEI involves mainly the upgrading and refurbishment of the whole warehouse floor slab and roof, replacement of the warehouse lighting system, replacement of the rain water goods, external wall and facade repainting as well as sheet piling works at the rear boundary of the property. The AEI commenced in the first guarter of 2016 and is expected to be fully completed by the third quarter of 2016 at a total contract sum of approximately RM15.4 million, excluding Goods and Services Tax.

During the fourth quarter, a tenant was secured to partially rent Atrium Puchong, albeit on a short term basis. The Manager will continue to work closely with real estate agents, existing tenants and the Promoter of Atrium REIT to take up the balance space and also the existing rented out space upon expiry of the short term tenancy.

2016 Outlook

Going forward, global growth is expected to continue to weaken, led by China's slowdown and the resulting crude oil glut and depressed oil and commodities prices. Crude oil prices climbed slightly as Iran cautiously supported a proposal by Saudi Arabia and Russia to freeze production at near-record levels. In Asia, growth in oil rich emerging countries are expected to be restrained by the crude oil situation fueled by China's slowing economy and the fluctuating yuan despite domestic demands remaining reasonably healthy.

While downside risks to growth remain, the Malaysian economy is expected to expand within the region of 4.0% to 5.0% in 2016. Domestic demand will continue to be the main driver of growth for Malaysia, supported mainly by the private sector activity whilst the external sector performance is expected to be modest.

For 2016, the Trust's distribution per unit is not expected to be able to match that of 2015 due to the rental void in Atrium Shah Alam 2 during the AEI. However, the Manager remains committed to the sustainable and measured growth of Atrium REIT in order to continue to deliver stable returns to its unitholders. The Manager will continue to pursue yield-accretive acquisitions with focus on industrial properties that meet our investment

criteria as well as value-creating assetenhancement opportunities although meeting sellers' demands for asset valuation may prove to be challenging. In line with our proactive asset management strategy, we will also continue to explore any divestment opportunities for any properties that have achieved its optimal potential/value and use the proceeds for either new acquisitions or AEI.

Appreciation

On behalf of the Board of Directors of Atrium REIT Managers Sdn Bhd, I would like to thank my fellow Board members for their advice and contributions throughout the year, our tenants and business associates, the regulatory authorities, investors and unitholders, for their strong support. I would also like to thank the management team for the concerted effort and hardwork in 2015 and I look forward to another fruitful year ahead with the continued support of my fellow Board members and our valued stakeholders.

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DATO' DR IR MOHAMAD KHIR BIN HARUN Chairman Atrium REIT Managers Sdn Bhd Date: 19 February 2016



Property	: Atrium Shah Alam 1
Address	: Lot 1-8, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor, Malaysia
Title details	: GRN 177482 (formerly known as H.S.(D) No. 80053) for Lot No. 38264 (formerly known as P.T. 14366), Pekan Baru Hicom (formerly known as Mukim of Damansara), District of Petaling, State of Selangor Darul Ehsan.
Property type	: Industrial
Description	: A single storey warehouse and a four storey office building with a total Net Lettable Area measuring approximately 311,736 sq.ft.
Year of completion	: 2005
Tenure	: Freehold
Existing use	: Warehouse and office
Parking spaces	: 191 car bays, 105 motorcycle bays, 30 lorry bays
Date of acquisition	: 2 April 2007
Cost of acquisition	: RM57,200,000
Lessee	: Marelli Asia Pacific Sdn Bhd
Occupancy	: 100%
Lease Period	: 6 years, expiring on 31 May 2021
Major capital expenditure	: RM308,837
Encumbrances	: The property is charged to a financial institution to secure a Short Term Revolving Credit facility of RM39.6 million
Limitation in title/interest	: None
Latest valuation	: RM79,000,000
Date of last valuation	: 3 December 2015
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: RM3,691,163
Net book value	: RM75,308,837



Property	:	Atrium Shah Alam 2
Address	:	Lot 7A, Persiaran Jubli Perak, Seksyen 22,40300 Shah Alam, Selangor, Malaysia
Title details	:	Lot No. P.T. 90 held under H.S.(D) No. 188265, Pekan Baru Hicom (formerly Mukim of Damansara), District of Petaling, State of Selangor Darul Ehsan.
Property type	:	Industrial
Description	:	A single storey warehouse and a double storey office building with a total Net Lettable Area measuring approximately 259,933 sq.ft.
Year of completion	:	2004
Tenure	:	Freehold
Existing use	:	Warehouse and office
Parking spaces	:	125 car bays, 129 motorcycle bays, 20 lorry bays
Date of acquisition	:	2 April 2007
Cost of acquisition	:	RM49,100,000
Tenant	:	None
Occupancy	:	N/A
Tenancy Period	:	N/A
Major capital expenditure	:	Nil
Encumbrances	:	None
Limitation in title/interest	:	None
Latest valuation	:	RM63,000,000
Date of last valuation	:	3 December 2015
Valuer	:	First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	:	(RM1,000,000)
Net book value	:	RM64,000,000



Property	: Atrium Puchong
Address	: No.2 Jalan PPU 1, Taman Perindustrian Puchong Utama, Batu 12 ½ Jalan Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia
Title details	: Lot No. 65108 held under Geran No. 44178, Pekan Puchong Perdana (formerly Mukim of Petaling) District of Petaling, State of Selangor Darul Ehsan.
Property type	: Industrial
Description	: A single storey warehouse and a four storey office building with a total Net Lettable Area measuring approximately 203,994 sq.ft.
Year of completion	: 2002
Tenure	: Freehold
Existing use	: Warehouse and office
Parking spaces	: 129 car bays, 110 motorcycle bays, 30 lorry bays
Date of acquisition	: 2 April 2007
Cost of acquisition	: RM38,500,000
Tenant	: Tiong Nam Logistics Solutions Sdn Bhd
Occupancy	: Approximately 73%
Tenancy Period	: 6 months, expiring 31 March 2016
Major capital expenditure	: Nil
Encumbrances	: None
Limitation in title/interest	: None
Latest valuation	: RM48,500,000
Date of last valuation	: 3 December 2015
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: RM1,500,000
Net book value	: RM47,000,000

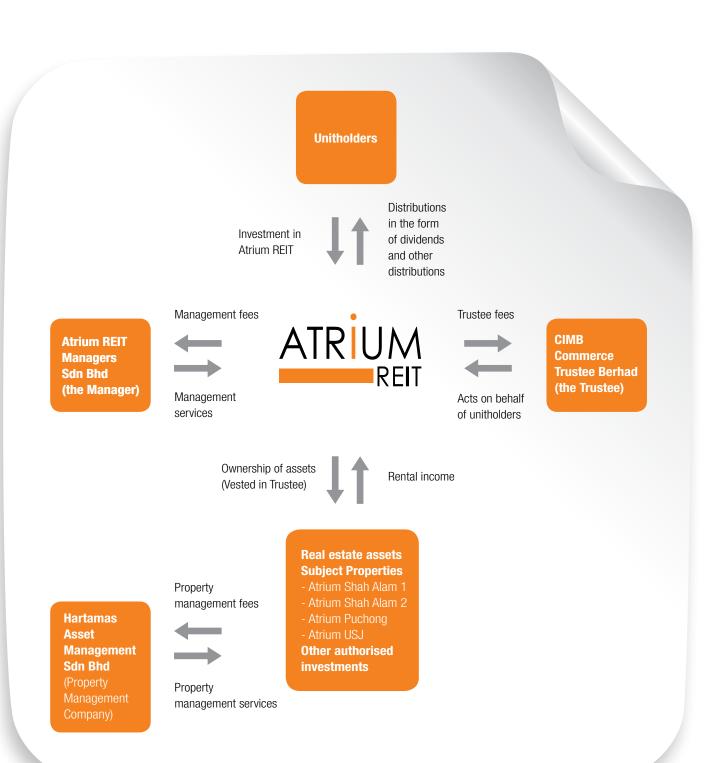


Property	: Atrium USJ
Address	: No.16, Jalan TP 6, Taman Perindustrian UEP, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia
Title details	: Geran 75650 Lot 46914 Mukim Damansara, Daerah Petaling, Negeri, Selangor.
Property type	: Industrial
Description	 A single storey warehouse with annexed double storey office building (Block A), a single storey warehouse (Block B) and a single storey warehouse with annexed double storey office building (Block C); with a total Net Lettable Area measuring approximately 128,085 sq.ft.
Year of completion	: 2008
Tenure	: Freehold
Existing use	: Warehouse and office
Parking spaces	: 122 car bays, 39 motorcycle bays, 5 lorry bays
Date of acquisition	: 22 December 2011
Cost of acquisition	: RM25,000,000
Tenant	1) SAF-Holland (Malaysia) Sdn Bhd (Block A)2) Century Total Logistics Sdn Bhd (Block B)3) Skynet Worldwide (M) Sdn Bhd (Block C)
Occupancy	: 100%
Tenancy Period	: Block A - 3 years, expiring on 31 August 2017 Block B - 2 years, expiring on 31 December 2015* Block C - 3 years, expiring on 31 July 2017
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Term Loan and Bank Guarantee Facilities of RM20,300,000
Limitation in title/interest	: None
Latest valuation	: RM31,400,000
Date of last valuation	: 3 December 2015
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: RM100,000
Net book value	: RM31,300,000

^{*} Century Total Logistics Sdn Bhd has renewed the tenancy for another 2 years and will be expiring on 31 December 2017.

Structure of Atrium Real Estate Investment Trust

The following diagram illustrates the structure of Atrium REIT and indicates the relationships between Atrium REIT, the Manager, the Property Management Company, the Trustee and the Unitholders:



Performance Data

I) Portfolio Composition of the Trust

	2015	2014	2013	2012	2011
	%	% %	%	%	%
Atrium Shah Alam 1	33	31	32	31	31
Atrium Shah Alam 2	27	27	27	26	27
Atrium Puchong	21	20	19	20	19
Atrium Rawang*	-	4	4	4	4
Atrium USJ	13	13	13	13	12
	94	95	95	94	93
Deposits with a licensed bank	6	5	5	6	7
	100	100	100	100	100

II) Asset Value, Unit and Market Price information

	2015	2014	2013	2012	2011
Asset under management (RM'000)	221,900	226,200	221,700	208,100	194,700
Total asset value (RM'000)	238,796	241,331	235,426	221,975	211,469
Net asset value (NAV) (RM'000)	173,272	168,505	164,401	150,706	137,151
Units in circulation ('000)	121,801	121,801	121,801	121,801	121,801
NAV per unit – after proposed distribution					
- As at 31 December (RM)	1.41	1.37	1.33	1.22	1.10
- Highest NAV for the year (RM)	1.42	1.37	1.33	1.22	1.10
- Lowest NAV for the year (RM)	1.36	1.33	1.22	1.11	1.05
Market price per unit					
- As at 31 December (RM)	1.10	1.19	1.30	1.29	1.07
- Highest traded for the year (RM)	1.25	1.33	1.40	1.30	1.12
- Lowest traded for the year (RM)	1.01	1.16	1.17	1.07	1.00

III) Distributions for Last 5 Years

	Distribution		Net Asset Value Per Unit (RM)	
	Per Unit (Sen)	Date	Before Distribution	After Distribution
2011				
1st Quarter	2.15	31 May 11	1.07	1.05
2nd Quarter	2.15	26 Aug 11	1.07	1.05
3rd Quarter	2.10	30 Nov 11	1.07	1.05
4th Quarter	2.13	29 Feb 12	1.13	1.10
2012				
1st Quarter	2.20	31 May 12	1.13	1.11
2nd Quarter	2.20	30 Aug 12	1.13	1.11
3rd Quarter	2.20	30 Nov 12	1.13	1.11
4th Quarter	2.20	28 Feb 13	1.24	1.22

^{*} The disposal of Atrium Rawang was completed during the financial year under review.

Performance Data

III) Distributions for Last 5 Years (continued)

	Distrib	Distribution		e Per Unit (RM)
	Per Unit (Sen)	Date	Before Distribution	After Distribution
2013				
1st Quarter	2.20	31 May 13	1.24	1.22
2nd Quarter	2.20	30 Aug 13	1.24	1.22
3rd Quarter	2.20	29 Nov 13	1.24	1.22
4th Quarter	2.20	28 Feb 14	1.35	1.33
2014				
1st Quarter	2.20	30 May 14	1.35	1.33
2nd Quarter	2.20	29 Aug 14	1.35	1.33
3rd Quarter	2.20	28 Nov 14	1.35	1.33
4th Quarter	1.80	27 Feb 15	1.38	1.37
2015				
1st Quarter	1.70	29 May 15	1.38	1.37
2nd Quarter	3.60	11 Sep 15	1.41	1.37
3rd Quarter	1.65	27 Nov 15	1.39	1.37
4th Quarter	1.30	29 Feb 16	1.42	1.41

IV) Performance of the Trust

	2015	2014	2013	2012	2011
Total return (%)	(0.39)	(1.79)	9.08	26.83	9.95
- Capital growth (%)	(7.56)	(8.46)	2.36	19.44	1.90
- Income distribution (%)	7.17	6.67	6.72	7.39	8.05
Income distribution per unit (sen)					
- Gross	8.25	8.40	8.80	8.80	8.53
- Net	8.25	8.40	8.80	8.80	8.53
Management expense ratio (%)	1.64	0.99	0.99	1.00	0.85
Portfolio turnover ratio (times)	0.05	-	-	-	0.19

V) Average Annual Return for Financial Year ended 31 December 2015

	Atrium REII (%)	KLUI (%)
One year	(0.39)	(3.44)
Since launch (2 April 2007)	11.47	4.09

Total return is based on the actual gross income distribution and net change in market price at the beginning and end of the financial year, over the average market price of Atrium REIT for the respective financial years/period.

Average Annual Return is computed based on the total return per unit for the period, averaged over the number of years for the period.

The calculation of MER is based on total fees of Atrium REIT incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees, administrative and other expenses, to the average net asset value of the Trust for the financial year calculated on a daily basis.

The calculation of PTR is based on the average of total acquisition and total disposal of investments in Atrium REIT for the financial year to the average net asset value of the Trust for the financial year calculated on a daily basis.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may fluctuate.

Board of Directors and Management/Corporate Directory

Board of Directors and Management of the Manager

Board Of Directors

Dato' Dr Ir Mohamad Khir Bin Harun

Chairman and Non-Independent Non-Executive Director

Wong Sui Ee

Executive Director

How Hu Son

Independent Non-Executive Director

Tor Pena Sie

Independent Non-Executive Director

Soong Kwong Heng

Independent Non-Executive Director

Management

Wong Sui Ee

Executive Director

Chan Kum Chong

Chief Executive Officer

Chan Kum Cheong

Chief Operating Officer

Lee Hooi Hoong

Chief Financial Officer

Company Secretaries

Wong Wai Foong (MAICSA 7001358) Lim Poh Yen (MAICSA 7009745)

Corporate Directory

MANAGER

Atrium REIT Managers Sdn Bhd (710526-V)

Principal place of business:

36-2, Jalan 5/101C, Off Jalan Kaskas Jalan Cheras, 56100 Kuala Lumpur

Tel : 03-9132 2810 Fax : 03-9132 9810 Website : www.atriumreit.com.my

Registered office:

Unit 30-01, Level 30, Tower A Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur Tel : 603 -27839191 Fax : 603 -27839111

TRUSTEE

Fax

CIMB Commerce Trustee Berhad (313031-A)

Principal place of business 17th Floor, Menara CIMB Jalan Stesen Sentral 2 Kuala Lumpur Sentral 50470 Kuala Lumpur Tel: 03-2261 8888

: 03-2261 9887

AUDITORS

BDO (AF 0206) Chartered Accountants

PROPERTY MANAGEMENT COMPANY

Hartamas Asset Management Sdn Bhd (905055-U)

Level 13, Block A, Menara Prima, Jalan PJU 1/37, Dataran Prima,

47301 Petaling Jaya, Selangor Darul Ehsan

Tel : 03-7839 5555 Fax : 03-7839 5566

PRINCIPAL BANKERS

Malayan Banking Berhad Public Bank Berhad

REGISTRAR

Tricor Investor Services Sdn Bhd (118401-V) Unit 32-01, Level 32, Tower A

Vertical Business Suite, Avenue 3 Bangsar South, No. 8, Jalan Kerinchi

59200 Kuala Lumpur Tel : 603 -27839299 Fax : 603 -27839222

BURSA MALAYSIA STOCK NAME AND CODE

ATRIUM 5130

Profile of Directors

DATO' DR IR MOHAMAD KHIR BIN HARUN

Chairman

Malaysian, aged 65, was appointed to the Board on 5 October 2009. Dato' Dr Ir Mohamad Khir obtained his BSc (Hons) in Electrical Engineering from Brighton Polytechnic in 1973, MSc in Communications Engineering from Brunel University, London in 1978 and PhD in Electrical Engineering from University of Manchester, United Kingdom in 1982. Dato' Dr. Ir. Mohamad Khir has accumulated a vast pool of knowledge on the communications and information industry. Starting his career as a young engineer way back in 1973, Dato' Dr Khir had successfully made the transition to a business-savvy technocrat when the Telecom Department was corporatised in 1987. He had risen quickly in his career, taking on wide-ranging responsibilities and was holding the position of Chief, Group business restructuring, the second highest position in Telekom Malaysia or TM, prior to his retirement. He was President of the Senior Officer associations of Telekom Malaysia from 1985 to 1996 where he has initiated programs on executive development and health awareness which were later adopted by the company. He was active in sports having held positions as vice and deputy presidents of the company's sport club from 1982 to 1995. His other experiences in the industry include 5 years in the regulatory bodies as Advisor to the Minister of Energy, Telecommunications and Posts from 1983 to 1985 and then as Advisor to the Chairman of the Malaysian Communications and Multimedia Commission from 2006 to 2008.

WONG SUI EE

Executive Director

Malaysian, aged 46, was appointed to the Board on 22 September 2005. Ms Wong graduated with a Bachelor of Arts majoring in Accounting and Finance from Middlesex University, London, in 1991. She is an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW) since 1994. Ms Wong began her career in KPMG, United Kingdom in 1991 as an Auditor. In 1996, she joined Perdana Merchant Bank Berhad as Assistant Vice President for two (2) years. She then joined Glory Blitz Industries Sdn Bhd ("GBISB") and its related companies in 1998. During her 8-year tenure with GBISB and its group of companies, she formed the team to develop built to suit industrial properties in the Klang Valley for the group's multinational clients including CEVA Logistics (formerly known as TNT Logistics), Exel Logistics (now part of the DHL Group), Danzasmal (now part of the DHL Group), Unilever Malaysia, Silverstone Tyres and others. Currently, she is also on the Board of Directors of Alpha Netrise (M) Sdn Bhd, Ample Cosmos Sdn Bhd and Kilat Idam Sdn Bhd.

TOR PENG SIE

Independent Non-Executive Director

Malaysian, aged 57, was appointed to the Board on 17 November 2006. Mr Tor graduated with a Bachelor of Science from Campbell University, North Carolina, United States of America in 1982. He is a holder of the Real Estate Agent Licence from the Board of Valuers, Appraisers and Estate Agents Malaysia since 1993. Mr Tor has over twenty (20) years experience in the real estate industry, where he began his career in Rahim & Co. Chartered Surveyor Sdn Bhd in 1984 as a Valuation Executive and was subsequently promoted as a Real Estate Negotiator. In 1988, he worked with The Golden Triangle Real Estate Agents initially as a Real Estate Agent and later became a Director of the said company. In 1999, he joined Pacific Landmark Real Estate Agents. He is currently the Principal of Pacific Landmark Real Estate Agents.

HOW HU SON

Independent Non-Executive Director

Malaysian, aged 66, was appointed to the Board on 17 November 2006. Mr How graduated from Brighton Polytechnic, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering in 1975. In 1976, he obtained his Master of Science from Imperial College of Science & Technology, London. He is a member of the Institution of Engineers, Malaysia and is a registered professional Engineer with the Board of Engineers, Malaysia. He began his career in 1977 as a Structural Engineer with Jabatan Kerja Raya for two (2) years. Thereafter, he joined Tahir Wong Sdn Bhd as its Senior Structural Engineer and was subsequently promoted to Senior Associate. During his 14 years in Tahir Wong Sdn Bhd, he was involved in projects such as Subang Parade, the Royal Malaysian Navy Base in Sarawak, Puteri Pan Pacific Hotel, Johor and the Selangor Turf Club. Currently, he is a Director of Pakatan Cergas Sdn Bhd, a consultancy company involved in civil and structural engineering. Some of the projects that he was involved in are the construction of Bukit Ceylon Condominium, CP Tower, Eastin Hotel and Phileo Damansara. He is also a Director of Yong Peng Batu Bata Berhad.

SOONG KWONG HENG

Independent Non-Executive Director

Malaysian, aged 66, was appointed to the Board on 17 November 2006. Mr. Soong graduated with a Bachelor of Economics from Universiti Malaya in 1972. Mr Soong has more than thirty (30) years experience in tax related issues. After his graduation, he began his career in the Department of Inland Revenue Malaysia for three (3) years. In 1975, he joined Chan King Sang & Co. as its Tax Manager for ten (10) years. Since 1985, he served as a Tax Principal for K. S. Taxation Services Sdn Bhd. Currently, he is also on the Board of Directors of Global Gain Sdn Bhd, Segamat Holdings Sdn Bhd and Compagnie Du Monde Sdn Bhd, which are companies involved in property and equity investments.

Profile of Chief Executive Officer

CHAN KUM CHONG

Chief Executive Officer

Malaysian, aged 60, was appointed as Chief Executive Officer on 1 April 2010. Mr. Chan graduated from Portsmouth Polytechnic (now known as University of Portsmouth) in 1980 with a Bachelor of Science in Quantity Surveying. Mr. Chan began his career as a Graduate Quantity Surveyor with a consultant quantity surveying firm, Juru Ukur Bahan Malaysia Sdn. Bhd. assisting the senior quantity surveyor in pre and post contract administration in the completion of Menara Maybank, redevelopment of Subang International Airport, Telekom Training Centre, amongst others. Mr. Chan then joined TTDI Development Sdn.Bhd. in 1984 and has successfully managed and completed housing schemes in Taman Tun Dr. Ismail, Taman TTDI Jaya, Desa Pandan and Desa Bakti. In June 1995, he was assigned to oversee the operation of the inhouse construction company, Panelex Sdn.Bhd. as General Manager - Operation. He then joined Syarikat T. D. Sdn. Bhd. in 1999 as a Project Director looking after several building and turnkey projects. Thereafter, he joined Vistanet (M) Sdn.Bhd. in 2002, an in-house construction company of Mayland Properties Sdn. Bhd., to manage all their in-house construction projects with Gross Development Values in excess of RM300 million, comprising of service apartments, shop offices and a shopping complex. In October 2003 he joined Score Option Sdn. Bhd. as a Project Director, managing a 200 acres development in Puchong comprising a mixed residential and commercial development, a J.V. project with Glomac Alliance Sdn.Bhd., a subsidiary of Glomac Berhad. In 2005, he joined EC Alamjaya Sdn. Bhd. as its Chief Executive Officer to oversee a shopping complex and hotel development totalling RM100million.

Other Directorship of Public Companies

Mr. Chan has no other directorship with any public companies.

Family Relationship with Director and/or Major Unitholder

Mr. Chan is the brother of Mr Chan Kam Tuck, who is a major unitholder of the Atrium REIT. Saved as disclosed, Mr Chan does not have any family relationship with any director and/or major unitholder of the Atrium REIT.

Conflict of Interest

Save for Mr Chan's interest in Atrium REIT (as disclosed under Unitholdings of Directors and Related Parties in the notes to the financial statements), no conflict of interest has arisen during the financial year under review.

Conviction of Offences

Mr. Chan has not been convicted of offences within the past 10 years.

Atrium ReIT Managers Sdn Bhd, the Manager of Atrium Real Estate Investment Trust ("Atrium ReIT") has adopted an overall corporate governance framework designed to meet best practice principles. The Manager also recognises that an effective corporate governance culture is critical to its performance and consequently, the success of Atrium REIT, which it manages. In particular, the Manager has an obligation to act honestly, with due care and diligence, and in the best interest of the unitholders of Atrium REIT ("Unitholders").

The following segments describe the Manager's main corporate governance policies and practices which are guided by the measures recommended in the Securities Commission ("SC") Guidelines on Real Estate Investment Trusts ("REITs Guidelines"), the Securities Commission Act 1993 ("SCA"), the Capital Market and Services Act 2007 ("CMSA") the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance.

Role of the Manager

Manager of Atrium REIT

The Manager has general powers of management over the assets of Atrium REIT. The Manager's main responsibility is to manage Atrium REIT's assets and liabilities in the best interest of the Unitholders.

The primary role of the Manager is to set the strategic direction of Atrium REIT and give recommendations to CIMB Commerce Trustee Berhad (formerly known as BHLB Trustee Berhad) ("Trustee"), as Trustee of Atrium REIT, on the acquisition, divestment and enhancement of assets of Atrium REIT in accordance with its stated investment strategy.

Amongst others, the general functions, duties and responsibilities of the Manager include the following:

- (a) to carry out the activities in relation to the management of Atrium REIT and its portfolio of assets in accordance with the provisions of the Trust Deed dated 20 November 2006 and amended by the Supplementary Deed dated 25 November 2008 (collectively known as "the Deed");
- (b) to use its best endeavours to ensure that the business of Atrium REIT is carried out and conducted in a proper and efficient manner and to conduct all transactions with or for Atrium REIT at arm's length and on normal commercial terms;
- (c) to issue the annual report of Atrium REIT to the Unitholders within two (2) months of its financial year end;
- (d) to attend to all enquiries from the Unitholders, tenants, media, government bodies, etc;
- (e) to supervise the Property Manager which provides property management services in relation to Atrium REIT's properties pursuant to the property management services agreement; and
- (f) to ensure that Atrium REIT is in compliance with the applicable provisions of the, REITs Guidelines, SCA, CMSA, Listing Requirements or Bursa Securities, and any other applicable laws.

Atrium REIT is externally managed by the Manager and accordingly, Atrium REIT has no personnel of its own. The Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations. All Directors and employees of the Manager are remunerated by the Manager and not by Atrium REIT.

Atrium REIT Managers Sdn Bhd is the appointed Manager of Atrium REIT in accordance with the terms of the Deed which outlines the circumstances under which the Manager can be retired.

Directors of the Manager

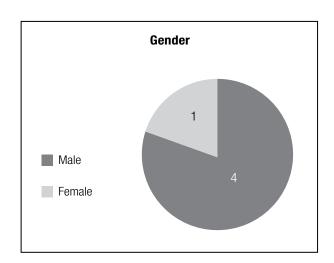
The Board

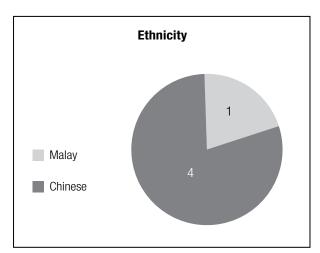
The Board is entrusted with the responsibility of overall management and corporate governance of the Manager including establishing goals for management and monitoring the achievement of these goals. The Board is also responsible for charting the strategic direction, development and control of the Manager and has adopted the primary responsibilities as listed in the REIT Guidelines as well as the roles and duties set out in the REIT Guidelines, which facilitate the discharge of the Directors' stewardship responsibilities.

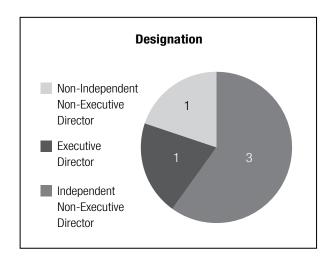
Board Composition

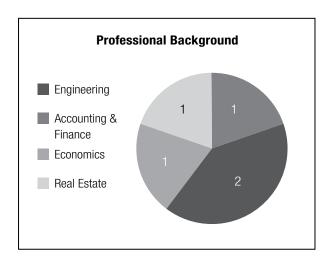
The Board presently consists of five (5) members comprising one (1) Non-Independent Non-Executive Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. The diverse background of the members who come from various fields such as engineering, financial, real estate and management provide a broad spectrum of skills, experience and invaluable perspectives to overseeing the management of the Manager. The profiles of the members of the Board are provided in page 19 of the Annual Report.

The Board diversity in terms of gender, ethnicity, professional background and experience are illustrated below:









The Board is of the view that its current members who, as a group provide the necessary core competencies is adequate and that the current Board size is appropriate, taking into consideration the nature, size and scope of Atrium REIT's operations.

The Chairman of the Board is responsible for the conduct of the Board and ensures that the Board's discussions are conducted in such a way that all views are taken into account and discussed at length before a decision is made. The Executive Director and the Chief Executive Officer, supported by the management team are responsible for running the business on a day-to-day basis, organizational effectiveness and implementation of the Board's policies, strategies and decisions as planned and in accordance with the Deed, Securities Commission Act and REIT Guidelines. This clear separation of roles between the Chairman and the Chief Executive Officer, provides a healthy, independent and professional relationship between the Board and Management.

The Board focuses mainly on strategy, financial performance and critical business issues, including:-

- The strategic business plans
- Key financial performance indicators
- · Principal risks and their management
- Succession planning for senior management
- · Investors and unitholders relations programmes
- · Systems of internal control

Independent Non-Executive Directors have the responsibility to ensure that the strategies proposed by the Executive Director, Chief Executive Officer and management are fully discussed and examined, taking account of the long term interest, not only of the Unitholders, but also of employees, customers, suppliers, environment and the many communities in which Atrium REIT conducts its business.

Board Meetings

Board meetings are scheduled at least four (4) times per annum to review the operations of Atrium REIT and to approve the quarterly and annual financial statements of Atrium REIT. Additional meetings are held as and when urgent issues and important decisions need to be taken between the scheduled meetings.

The Board met four (4) times during the financial year ended 31 December 2015. The number of meetings attended by each Director is as follows:

Directors	Designation	Attendance
Dato' Dr Ir Mohamad Khir Bin Harun	Non-Independent Non-Executive Chairman	4/4
Wong Sui Ee	Executive Director	4/4
How Hu Son	Independent Non-Executive Director	3/4
Tor Peng Sie	Independent Non-Executive Director	4/4
Soong Kwong Heng	Independent Non-Executive Director	4/4

Access to and Supply of Information and Advice

All Board members are supplied with information on a timely manner in order to discharge their responsibilities. The Agenda together with the full set of Board papers containing information relevant to the Board meeting are circulated to the Directors prior to the Board meetings. There is sufficient time for the Directors to review and seek clarification where necessary prior to the meeting being held and this process enables the Directors to make better and informed decisions.

There is a schedule of matters reserved specifically for the Board's decision, including the approval of the Manager's strategic plans and budgets for both the Manager and Atrium REIT which includes acquisition and disposal of major assets, major investments, review and approve the key policies, procedures and authority limits.

All Directors have access to the advice and services of the Company Secretary and has the right to seek independent professional advice when necessary in discharging their duties, making acquisition decisions and complying with relevant legislations and regulations.

Appointments to the Board

The Executive Director makes recommendations on the requirement and suitability of candidates nominated for appointment to the Board and the final decision lies with the entire Board to ensure that the resulting mix of experience and expertise of members of the Board is balanced with representation from the relevant sectors of industry to provide optimal inputs to address the issues affecting the Manager and Atrium REIT.

Directors' Remuneration

The objective of the remuneration policy is to attract, retain and motivate the Directors to successfully carry on the Manager's and Atrium REIT's operations. The Board believes that the remuneration should be sufficient to attract, retain and motivate the Directors of the necessary caliber, expertise and experience to manage the Manager's and Atrium REIT's operations.

Accountability and Audit

Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of Atrium REIT as at 31 December 2015 and of its financial performance, the changes in net asset value and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Relationship with Auditors

The Board maintains a transparent relationship throughout their association with the external auditors. The appointment of external auditors, who may be nominated by the Manager, is approved by the Trustee. The auditors appointed must be independent of the Manager and Trustee. The remuneration of the Auditor is approved by the Trustee.

Internal Control

The Board acknowledges its responsibility for the Manager's system of internal controls which covers financial control, operational and compliance controls as well as risk management.

The Statement of Internal Control furnished on pages 26 to 27 of the Annual Report provides an overview of the state of control within the Manager.

Management of Business Risk

Recognising and managing risk is central to the business and to protecting the Unitholders' interests and value. The Manager operates within overall guidelines and specific parameters set by the Board. Each transaction is comprehensively analysed to understand the risks involved. Responsibility of managing risks lies initially with the business unit concerned, working within the overall strategy outlined by the Board.

The Board meets quarterly or more often, if necessary and reviews the financial performance of the Manager and Atrium REIT against a previously approved budget. The Board will also review the business risks of Atrium REIT and will act upon any comments from the Auditor. In assessing business risk, the Board considers the economic environment and risks relevant to the property industry. The Board reviews management reports and feasibility studies on proposed property acquisition prior to approving the transaction.

Related Party Transactions

The Manager will comply with all requirements as laid out in the REIT Guidelines, the Deed and the Listing Requirements of Bursa Securities.

The Manager has established procedures that will ensure that all related party transactions undertaken are in full compliance to the REIT Guidelines as detailed below:

- (a) on an arm's length basis;
- (b) in the best interests of the Unitholders;
- (c) in relation to a real estate transaction:
 - (i) transacted at a price that is equivalent to the value assessed in the independent valuation report;
 - (ii) consented by the Trustee; and
 - (iii) consistent with the investment objectives and strategies of Atrium REIT; and
- (d) adequately disclosed to the Unitholders.

However, a real estate may be transacted at a price other than as specified in (c) (i) above provided that:

- (a) for acquisitions, the price is not more than 110% of the value assessed in the valuation report referred to in (c) (i) above;
- (b) for disposals, the price is not less than 90% of the value assessed in the valuation report referred to in (c) (i) above; and
- (c) the Trustee provides a written confirmation that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to the Unitholders' interest.

Where the transaction value with related parties in relation to a real estate is equal to or greater than 5% of the total asset value of the fund (after acquisition), the prior approval of the Unitholders by way of an ordinary resolution is required. However, if the transaction value does not exceed 5% of the total asset value of the fund (after acquisition), the Trustee must provide a written confirmation that the transaction is based on normal commercial terms, at arm's length, and not prejudicial to the Unitholders' interests.

Whistle Blowing Policy

The Board has put in place procedures to provide employees of the Manager with defined and accessible channels to report on suspected fraud, corruption, dishonest practices or other similar matters relating to Atrium REIT or the Manager, and for the independent investigation of any reports by employees and appropriate follow up action.

The aim of the whistle blowing policy is to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly, and to the extent possible, be protected from reprisal.

Communication with Unitholders and Investors

The Board acknowledges and appreciates the importance of regular communication with the Unitholders and investors to ensure that they are well informed of the activities and performance of Atrium REIT. The communication channels are via annual reports, quarterly financial reports and the various disclosures and announcements on the Bursa Securities' website.

Another principal avenue of communication with its Unitholders is Atrium REIT's AGM, which provides a useful platform for the Unitholders to engage directly with the Manager's Board and Management, the Trustee and the Auditor. The Manager is looking forward to solicit feedbacks and views from the Unitholders and answer Unitholders' question on all issues pertaining to Atrium REIT at the AGM. The notice of the AGM and related papers will be forwarded to the Unitholders with adequate time notice before the meeting. All the Unitholders are invited and encouraged to attend Atrium REIT's AGM and to actively participate in the proceedings by posting questions on the proposed resolutions (if any) and to seek clarification on the Trust's business and performance.

Atrium REIT has also established a corporate website, www.atriumreit.com.my, for the Unitholders and the public to access for corporate information and latest business development of Atrium REIT.

Other Information

Family Relationship with any Director and/or Major Unitholder

None of the Directors of the Manager has any family relationship with any other Directors or Major Unitholders.

Conflict of Interest

Save for the Directors of the Manager's interest in Atrium REIT (as disclosed under Directors' Interest in the Manager's Report), no conflict of interest has arisen during the financial year under review.

Convictions for Offences

None of the Directors of the Manager have been convicted for offences within the past 10 years.

Material Contracts

There were no material contracts entered by the Trust that involved the Directors of the Manager or Substantial Unitholders of the Trust during the financial year under review.

Directors' Training

The Directors are encouraged to attend briefings and seminars to keep abreast with the latest developments in the industry. During the year, the Directors attended various courses/seminars in related to their responsibilities and developments in the industry. Among courses / seminars attended includes "Top 18 Lessons We Learn — Playing Detective with Financial Statements", "Oil Price Crisis, Currency War and Portfolio Strategies" and "Advocacy Sessions on Management Discussion and Analysis Statement".

Statement of Internal Control

The Board of Directors ("the Board") of Atrium REIT Managers Sdn Bhd, the Manager of Atrium Real Estate Investment Trust ("Atrium REIT") has voluntarily adopted the best practices in corporate governance by setting up an Internal Audit function, which had been outsourced to an independent professional firm, although it is not compulsory for Atrium REIT to comply with such requirements under the Securities Commission Malaysia Guidelines on Real Estate Investment Trusts ("REIT Guidelines") and Main Market Listing Requirements ("Listing Requirement") of Bursa Malaysia Securities Berhad.

The Board has prepared a statement on the state of the Manager's internal controls for inclusion in this Annual Report for the financial year ended 31 December 2015 ("FY2015")

Responsibility

The Board acknowledges that it has a responsibility to maintain a sound and effective system of internal control and risk management practices within the Manager in order to meet the business objectives of the Manager. The business objectives, amongst others, is to manage Atrium REIT by achieving its mission, i.e. to maximise income in order to reward Unitholders with a competitive rate of return for their investments through regular and stable distributions and achieving long-term growth in distributions and Net Asset Value per unit.

As there are inherent limitations in any system of internal controls, such systems are designed to reduce rather than eliminate all risks that may impede the achievement of the Manager's business objectives. Therefore, the internal control system can only provide a reasonable and not absolute assurance against material misstatement or loss.

Key Features of the Internal Control System Established

Control Environment

• Organisation Structure and Authorisation Procedures

The Manager maintains a formal organisation structure with well-defined delegation of responsibilities and accountability within the Manager's Senior Management. It sets out the roles and responsibilities, appropriate authority limits, review and approval procedures in order to enhance the internal control system of the Manager's various operations.

Company Policies and Procedures

The Manager has documented policies and procedures that are to be regularly reviewed and updated to ensure that it maintains its effectiveness and continues to support the business activities of the Manager and Atrium REIT at all times.

Monitoring and Review

Management meetings are scheduled to be held on a regular basis to discuss and review the business planning, budgeting, financial and operational performances.

• Financial and Operational Review

The monthly management accounts and the quarterly financial statements of the Manager and Atrium REIT containing key financial results, operational performance results and comparisons of performance against budget are presented to the Board for their review, consideration and approval.

Business Planning and Budgeting Review

The Board plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Manager and Atrium REIT.

Internal Audit Function

The fees for the internal audit function outsourced to PKF Advisory Sdn Bhd for FY 2015 amounted RM9,900, excluding Goods and Services Tax and disbusements (FY 2014: RM9,900, excluding Goods and Services Tax and disbusements). The outsourced internal auditors are engaged to assist the Board in providing independent assessment of the adequacy, efficiency and effectiveness of the Manager's internal control systems. The results of their review of the business processes were tabled to the Board at their scheduled meetings. The internal auditors are also tasked to follow up on the status of the implementation of corrective actions to address control weaknesses to ensure that these actions have been satisfactorily implemented.

Statement of Internal Control

The scope of the internal audit function for FY2015 entailed the following:

Investment properties• To ensure investment properties are well maintained; and

- To review effectiveness of document control for contracts and agreements in relation to investment properties.
- Cash at Bank · Ensure that payments and receipts are properly authorised, supported and recorded; and
 - · Ensure that bank reconciliations are prepared and approved.

During the financial year under review, there was no non compliance noted which had a material impact on the Manager's and Atrium REIT's financial performance or operations.

Financial Statements

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Atrium REIT Managers Sdn Bhd, the Manager of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust"), is pleased to present the Manager's Report together with the audited financial statements of Atrium REIT for the financial year ended 31 December 2015 (FY2015).

ABOUT THE MANAGER

Atrium REIT Managers Sdn Bhd ("Manager") was established in 2005 and is a subsidiary of Glory Blitz Industries Sdn Bhd. The Manager's Board of Directors and key personnel comprise experienced individuals in their respective fields of expertise.

PRINCIPAL ACTIVITY OF THE MANAGER

The principal activity of the Manager is the management of real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

THE TRUST AND ITS PRINCIPAL ACTIVITY

Atrium REIT was established by a trust deed entered into on 20 November 2006 and amended by the Supplementary Deed dated 25 November 2008 (collectively known as "the Deed") between the Manager and BHLB Trustee Berhad (now known as CIMB Commerce Trustee Berhad) ("Trustee"). Atrium REIT was listed on the Main Board of Bursa Malaysia Securities Berhad on 2 April 2007.

The principal activity of Atrium REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate. The investment portfolio of, Atrium REIT as at 31 December 2015 comprise Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Puchong and Atrium USJ (collectively called the "Properties"). These Properties are located at prime sites and tenanted by subsidiaries of multinational companies and established local companies.

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES

The Manager's investment objectives are to maximize income in order to reward unitholders annually 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 for every quarter since the listing of the Trust on 2 April 2007.

The Manager intends to achieve Atrium REIT's investment objectives through three key strategies:-

(i) Organic growth srategy

The Manager's strategy involves proactive asset management, maximising tenant retention and creating leasing opportunities and strong budgetary controls to maximize returns.

(ii) Acquisition strategy

The Manager seeks to increase cashflows and yields, together with growth in distribution per unit and NAV per unit through selective acquisitions.

In evaluating acquisition opportunities, the Manager adopts the following investment criteria:

- · yield accretive;
- quality and nature of business of tenant;
- tenancy terms and conditions;
- · location of property;
- · potential capital appreciation;
- · land tenure; and
- building designs, specifications and repairs and maintenance.

The Manager intends to hold the properties on a long-term basis. However, as and when appropriate, the Manager may dispose the property and such proceeds may be reinvested in new real estates with better yields and growth potential and/or distributed to unitholders.

(iii) Financing strategy

The Manager will comply with the provisions of the Deed and the Securities Commission Guidelines on Real Estate Investment Trusts ("REITs Guidelines") in relation to the maximum level of permitted borrowings which is currently set at 50% or any other percentage as stipulated by the REITs Guidelines from time to time, of its total asset value.

The Manager intends to use a combination of debt and equity to fund future acquisitions. If it is deemed appropriate and in compliance with the REITs Guidelines, a hedging strategy to manage the risks associated with changes in interest rates relating to its borrowings may be adopted. Borrowings can be in the form of bank borrowings or through the issuance of commercial papers/bonds where Atrium REIT will have to be credit-rated.

INVESTMENT POLICIES AND COMPLIANCE WITH REIT GUIDELINES

(i) Investment limits and restrictions

Atrium REIT's investments may be allocated in the following manner, as prescribed by the REITs Guidelines:

- (a) At least 50% of the total asset value of Atrium REIT must be invested in real estate assets and/or single purpose companies at all times; and
- (b) Investment in non-real estate related assets and/or cash, deposits and money market instruments must not exceed 25% of Atrium REIT's total asset value.

(ii) Authorised investments

Atrium REIT is allowed to invest in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related or non real estate-related assets, liquid assets, asset-backed securities, listed or unlisted debt securities, and any other investment which is permissible under the REITs Guidelines or otherwise permitted by the Securities Commission.

Atrium REIT invests primarily in strategically located properties tenanted to logistics companies and manufacturer and will continue to look for opportunities in these types of properties. However, Atrium REIT does not intend to limit itself to industrial properties and may consider other types of properties which meet its investment criteria.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Performance

	As at 31 December 2015	As at 31 December 2014	As at 31 December 2013
Net Asset Value (RM'000)	173,272	168,505	164,401
Units in circulation ('000)	121,801	121,801	121,801
Net Asset Value per unit (RM)	1.41	1.37	1.33
Market price per unit (RM)	1.10	1.19	1.30
Highest traded price per unit during the year (RM)	1.25	1.33	1.40
Lowest traded price per unit during the year (RM)	1.01	1.16	1.17

Comparison of Results

	FY2015	FY2014	FY 2013
	RM'000	RM'000	RM'000
Gross Rental Income	12,867	16,153	16,480
Net Income (realised)	11,134	10,323	10,813
Distributable Income (realised)	10,034	10,323	10,813
Income Distribution	10,049	10,231	10,718
Distribution Per Unit (sen)	8.25	8.40	8.80
Distribution Yield (%)			
- based on IPO price (RM1.00)	8.25	8.40	8.80
- based on market price as at 31 December	7.50	7.06	6.77
Management Expense Ratio (%)	1.64	0.99	0.99

Atrium REIT's net income (realised) for FY2015 is higher than that achieved in FY2014 even though there was a significant decrease in the gross rental income and an increase in the Trust's expenses for FY2015. The significant decrease in the gross rental income is due mainly to the rental void in Atrium Puchong and Atrium Shah Alam 2 whilst the increase in Trust's expenses is due mainly to the real estate agents' fees for lease/rental of Atrium Shah Alam 1, Atrium Puchong and disposal of Atrium Rawang.

Asset Enhancement Initiatives ("AEI")

For the year under review, Atrium REIT has commenced the following AEI to generate higher rental yields, maintaining occupancy, create a better operating business environment for our tenants as well as to enhance property condition and value.

Atrium Shah Alam 1

The AEI are expected to be completed by first quarter of 2016 at a cost of approximately RM3.0 million, excluding Goods and Services Tax. The AEI mainly involved the replacement of one new passenger lift, changing of the whole warehouse lighting system, upgrading of the power supply, installation of additional translucent sheets around the perimeter of the warehouse building, external wall and facade repainting and upgrading of the toilets in the office building.

Atrium Shah Alam 2

With the previous tenant, CEVA Logistics (Malaysia) Sdn. Bhd. having moved out of the premises, the Manager took the opportunity to undertake AEI for the property involving mainly the upgrading and refurbishment of the whole warehouse floor slab and roof, replacement of the warehouse lighting system, replacement of the rain water goods, external wall and facade repainting as well as sheet piling works at the rear boundary of the property. The AEI commenced in the first quarter of 2016 and is expected to be fully completed by the third quarter of 2016 at a total contract sum of approximately RM15.4 million, excluding Goods and Services Tax.

Capital Management

The Manager understands that an effective capital structure is crucial to the performance of the Trust. In view of this, the Manager has adopted and maintained an appropriate debt-equity structure to meet the Trust's funding needs whilst ensuring that unitholders' returns are sustainable and optimized.

Both the Term Loan ("TL") and Short Term Revolving Credit ("STRC") are secured facilities based on floating rates. The variable rates for the TL and STRC ranged from 4.30% to 4.69% per annum during FY2015.

Summary of Atrium REIT's current and historical gearing is as shown below:

	2015	2014	2013	2012	2011
Total Borrowings (RM'000)	59,600	65,000	65,000	65,000	65,000
- STRC (RM'000)	39,600	45,000	45,000	45,000	45,000
- TL (RM'000)	20,000	20,000	20,000	20,000	20,000
Total Asset (RM'000)	238,796	241,331	235,426	221,975	211,469
Gearing (%)	24.96	26.93	27.61	29.28	30.74
Interest Rate (%)	4.30 to 4.69	4.10 to 4.67	4.10 to 4.42	4.09 to 4.43	3.79 to 4.26

Based on its current conservative gearing ratio, Atrium REIT is able to leverage on further borrowings to make opportunistic acquisitions that fits its investment criteria which will enhance the returns to unitholders, before reaching the 50% threshold under the REITs Guidelines.

Distribution of Income

Atrium REIT's portfolio of properties has been consistently delivering stable and competitive rate of return to its unitholders since its listing in 2007. The total distribution paid and declared for the financial year under review is 8.25 sen per unit, totaling RM10,048,583, which translates to a yield of 7.50% based on the closing market price of RM1.10 as at 31 December 2015.

The financial statements for the current financial year do not reflect the final income distribution. Such income distribution will be accounted for in the statement of changes in net asset value as distribution to unitholders in the next financial year ending 31 December 2016.

The effect of the income distribution in terms of NAV per unit is as follows:

	As at 31 December 2015 RM	As at 31 December 2014 RM
NAV per unit - before distribution	1.4226	1.3834
NAV per unit - after distribution	1.4096	1.3654

Breakdown of Unitholdings as at 31 December 2015

Size Of Holdings	No. of Unitholders	No. of Units
5,000 and below	1,275	2,988,946
5,001 - 10,000	481	4,140,300
10,001 - 50,000	577	14,449,800
50,001 - 500,000	213	31,297,354
500,001 and above	24	68,924,600
TOTAL:	2,570	121,801,000

Revaluation of Investment Properties

The Manager carried out a year end revaluation of the Trust's investment properties in compliance to Clause 10.03 of the REIT Guidelines and the Malaysian Financial Reporting Standard 140.

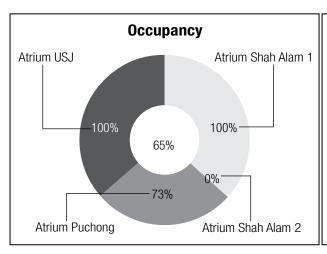
For FY 2015, the portfolio registered a fair value gain on the revaluation of investment properties amounting to RM4.29 million based on the appraised values conducted by independent registered valuers.

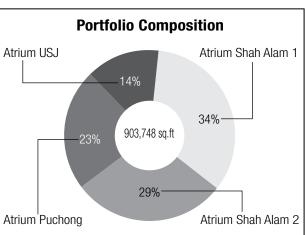
Investment of Atrium REIT

Atrium REIT's composition of investment as at 31 December 2015 is as follows:

RM Million	%
79.00	33.40
63.00	26.63
48.50	20.50
31.40	13.27
221.90	93.80
14.65	6.20
236.55	100.00
	63.00 48.50 31.40 221.90 14.65

Portfolio Review





For FY2015, Atrium REIT has a portfolio of four properties with a total net lettable area of 903,748 sq ft. pursuant to the successful disposal of Atrium Rawang. The disposal of Atrium Rawang to Chip Loong Shark's Fin Seafood Sdn Bhd (Company No: 485507-U) for RM13,500,000 was completed on 30 April 2015, giving the Trust a gain of RM4,258,126. The latest market value of RM8,900,000 for Atrium Rawang was based on the value appraised by First Pacific Valuers Property Consultants, an independent firm of registered valuers in its valuation report dated 7 October 2014.

Atrium REIT's gross revenue decreased from RM16,152,609 in FY2014 to RM12,867,216 in FY2015. The main reason for the decrease in the gross revenue is due to the loss of rental income as a result of the non-renewal of the expired tenancy by CEVA Logistics for Atrium Shah Alam 2 ("ASA2") and rental void in Atrium Puchong ("AP").

However, as at the date of this report, a new tenant has been secured for ASA2 and pending the execution of the tenancy agreement, the tenancy is expected to commence upon the completion of phase 1 of the AEI by second quarter of 2016 and the balance phase 2 AEI to be completed and the space to be handed over to the tenant by third quarter of 2016. As for AP, a tenant was secured to rent part of the warehouse for a period of 6 months since 1 October 2015. With the construction of the LRT project in the vicinity of AP coming to a completion, the road condition and the traffic congestion in the vicinity of AP are expected to improve. The Manager is confident that a new longer term tenant will be secured in the near future.

Despite the challenging market conditions, the Manager successfully rented out part of AP, renewed the tenancy for Atrium USJ-Block B whilst the tenancy for Atrium Shah Alam 1 was extended by replacing DHL Properties (Malaysia) Sdn Bhd with a new tenant, Marelli Asia Pacific Sdn Bhd during the year under review. Atrium REIT experienced net positive rental reversions for all the tenancies renewed/extended in FY2015.

Review of the 2015 Property Market

Overall Economic Overview

The global economy continued to expand at a moderate pace in the third quarter of 2015, with diverging growth momentum across economies. While the US and the UK economies registered moderate growth, economic activity in the euro area and Japan improved at a more gradual pace. In Asia, growth was supported by the continued expansion of domestic demand amid weak export performance. Against a backdrop of moderate growth and low inflation, several major and regional central banks lowered policy rates. In addition, a number of economies in the region have also announced fiscal measures to support domestic demand activity.

The Malaysian economy recorded a growth of 4.7% in the third quarter of 2015 (2Q 2015: 4.9%), supported mainly by private sector demand. On the supply side, all economic sectors continued to expand during the quarter. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 0.7% (2Q 2015: 1.1%). The private sector continued to be the key driver of growth during the quarter. Private investment grew by 5.5% (2Q 2015: 3.9%), driven by capital spending in the manufacturing and services sectors. Private consumption expanded at a more moderate rate of 4.1% (2Q 2015: 6.4%) as households continued to adjust to the implementation of the Goods and Services Tax (GST). Public investment turned around to record a positive growth due to the improvement in spending on fixed assets by both the Federal Government and public enterprises Meanwhile, public consumption growth moderated to 3.5% (2Q 2015: 6.8%) following the slower growth in both emoluments and supplies and services expenditure.

Going forward, global growth is expected to remain moderate if not slow. Concerns over various issues from the glut in crude oil to China's slowing economy and whether central-banks stimulus efforts are losing their potency have stoked volatility in financial markets in 2016. Crude oil's more than 40% slide over the past year has restrained growth in oil-rich emerging-market countries and heightened sensitivity to any sign of the main oil producing countries to coordinate production cuts. Gyrations in Chinese equities have spurred speculation over whether the nation's central bank will step up efforts to restore stability to the currency and economy. After a tumultuous start to the year, U.S. stocks are staging their longest recovery as the domestic economy shows signs of improvement.

While the major advanced economies continue to improve, the pace of recovery will be modest. In Asia, domestic demand is expected to continue to support growth. Downside risks to global growth remain high arising from the moderating growth momentum in a number of major economies, uncertainty surrounding energy and commodity prices and possible disorderly market conditions arising from policy shifts in major economies. While downside risks to growth remain, the Malaysian economy is expected to expand within the region of 4.0 - 5.0% in 2016. As a result of structural adjustments that have been steadily undertaken over the years, the economy is now supported by diversified sources of growth. With the external sector performance expected to be modest, domestic demand will continue to be the main driver of growth, supported mainly by the private sector activity. In addition, the flexible exchange rate, deep and more mature financial markets and solid financial institutions will support this trend and ensure that shocks such as volatile capital flows are well intermediated, therefore minimising spillovers to the real economy.

Overall Property Market Outlook

In spite of the challenging economic and financial environment facing the country in the past months, for H1 2015, the property market registered 186,661 transactions with a value of RM76.61 billion, down by 3.5% in volume and 6.6% in value against H1 2014. Residential sector continued to lead the overall market, contributing 64.1% in volume and 47.5% in value. However, the residential sector recorded a slight downturn by 2.6% in volume and correspondingly down in value by 9.7% whilst the commercial and industrial sector registered an increase in volume by 1.6% and 4.7% respectively.

The outlook for the property market in 2016 is expected to be challenging as the performance of the property market is expected to be affected by interrelated factors namely economic, financial and business and consumers' confidence at large. However, given the inelasticity nature of the property market, any impact on the property market as a result of the changes in the interrelated factors will be more gradual, unlike the stock market which will be immediate.

Industrial Property Sector Highlights and Outlook

The industrial sub-sector recorded an improvement in market activity after three consecutive years of downtrend. The market recorded 4,118 transactions worth RM6.96 billion, up by 4.7% in volume and 1.4% in value. Selangor continued to dominate the market, with 27.6% of the nation's volume, followed by Johor and Penang, each with 16.6% and 10.4% market share respectively.

Penang and Johor both led the market with significant increase attributed to the bulk transfers of vacant plots both in Taman Machang Indah in Seberang Perai Tengah and in Perindustrian Pontian Maju in Johor. By type, terraced factory (30.0%) and vacant plots (28.6%) formed the larger portion of the industrial property transaction.

Industrial Property Sector Highlights and Outlook (continued)

Prices of industrial property remained stable in most areas with premium prices recorded in prime areas of Petaling (Puchong, Damansara and Shah Alam), Johor and Penang. One and a-half storey terraced factories recorded significant increase in Puchong locality with prices ranging from RM1.05 million to RM1.60 million. Double storey semi-detached in Temasya Industrial Park in Shah Alam fetched RM10.0 million, up by 10.0% whilst three storey semi-detached in Kota Damansara recorded a 15.2% premium at RM7.0 million. In Johor, one of the two better performed states, properties in selected areas recorded increment and fetched competitive prices whilst property prices in Penang were stable with higher range recorded in strategic locations.

(source: Property Market Report First Half 2015, National Property Information Centre)

The Klang Valley industrial market is expected to remain stable despite the expected challenging economic environment due to the resilient domestic demand. Prices and rentals of industrial properties in prime and strategic areas with good accessibilities and infrastructure are expected to remain stable due to limited supply.

Directors of the Manager

The names of the Directors of the Manager who served on the Board since the date of last report are:

Dato' Dr Ir Mohamad Khir Bin Harun (Chairman) Wong Sui Ee Tor Peng Sie How Hu Son Soong Kwong Heng

Directors' Benefits

During and at the end of the financial year, no arrangement subsisted to which the Manager is a party with the object or objects of enabling the Directors to acquire benefits by means of acquisition of units in or debentures of Atrium REIT or any other body corporate.

Since the establishment of the Trust, no Director has received or become entitled to receive any benefits by reason of a contract made by the Manager for Atrium REIT or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the notes to the financial statements.

Directors' Interests

According to the register of Directors' unitholdings in Atrium REIT, the interests of Directors of the Manager in office at the end of the financial year ended 31 December 2015 are as follows:

	At 1 January 2015	Bought	Sold	At 31 December 2015
Direct Interest				
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-	-
Wong Sui Ee	363,000	-	-	363,000
Tor Peng Sie	100,000	-	-	100,000
How Hu Son	100,000	-	-	100,000
Soong Kwong Heng	55,000	-	-	55,000

Manager's Report

Manager's Fees And Commission

Pursuant to the Deed, for the financial year ended 31 December 2015, the Manager received a fee of 0.8% per annum of the Net Asset Value of the Trust eventhough the Manager is entitled to a fee of up to 1.0% per annum of the Net Asset Value of the Trust.

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

Other Statutory Information

Before the Statement of Profit and Loss and Other Comprehensive Income and Statement of Financial Position of the Trust were made out, the Manager took reasonable steps:

- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

At the date of this report, the Manager is not aware of any circumstances which would render:

- (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Trust;
- (ii) the values attributed to the current assets in the financial statements of the Trust misleading.

At the date of this report, the Manager is not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.

At the date of this report, the Manager is not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Trust which would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Trust which has arisen since the end of the financial year which secures the liability of any other person; or
- (ii) any contingent liability of the Trust which has arisen since the end of the financial year.

In the opinion of the Directors of the Manager:

- (i) the results of the operations of Atrium REIT during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Trust for the financial year in which this report is made.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.

Dato' Dr Ir Mohamad Khir Bin Harun

Wong Sui Ee

Kuala Lumpur, Malaysia Date: 19 February 2016

Statement by Directors of the Manager

In the opinion of the Directors of Atrium REIT Managers Sdn. Bhd. ("the Manager"), the financial statements set out on pages 40 to 72 have been drawn up in accordance with the provisions of the Trust Deed dated 20 November 2006 and the Supplementary Trust Deed dated 25 November 2008, the Securities Commission's Guidelines on Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust") as at 31 December 2015 and of the financial performance and cash flows of the Trust for the financial year then ended.

In the opinion of the Directors of the Manager, the information set out in Note 31 to the financial statements on page 73 has been compiled in accordance with the Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosures Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants, and presented based on the format prescribed by Bursa Malaysia Securities Berhad.

On behalf of the Manager,

Atrium REIT Managers Sdn. Bhd. in accordance with a resolution of the Directors of the Manager

Wong Sui Ee

Kuala Lumpur 19 February 2016

Dato' Dr. Ir. Mohamad Khir bin Harun

Statutory Declaration

I, Wong Sui Ee, being the Director of the Manager, Atrium REIT Managers Sdn. Bhd. primarily responsible for the financial management of Atrium Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 40 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly
declared by the abovenamed at
Kuala Lumpur in the Federal
Territory this
19 February 2016

Wong Sui Ee

Before me:
Commissioner for Oaths

NO. 102 & 104 1st FLOOR BANGUNAN PERSATUAN YAP SELANGOR JALAN TUN HS LEE 50000 KUALA LUMPUR

Trustee's Report

TRUSTEE'S REPORT

We, CIMB Commerce Trustee Berhad, have acted as Trustee of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust") for the financial year ended 31 December 2015. In our opinion and to the best of our knowledge:

- a) Atrium REIT Managers Sdn. Bhd. ("the Manager") has managed Atrium REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Trust Deed dated 20 November 2006 and the Supplementary Trust Deed dated 25 November 2008 (collectively referred to as the "Deed"), the Securities Commission's Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws for the financial year ended 31 December 2015;
- b) the procedures and processes employed by the Manager to value and price the units of Atrium REIT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements; and

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2015 are in line with and are reflective of the objectives of Atrium REIT. Distributions that have been paid or proposed for the financial year ended 31 December 2015 are as follows:

- 1) First interim income distribution of 1.70 sen paid on 29 May 2015.
- 2) Second interim income distribution of 3.60 sen paid on 11 September 2015.
- 3) Third interim income distribution of 1.65 sen paid on 27 November 2015.
- 4) Proposed fourth and final income distribution of 1.30 sen payable on 29 February 2016.

For and on behalf of the Trustee, CIMB Commerce Trustee Berhad (Company No. 313031-A)

Lee Kooi Yoke

Chief Operating Officer

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Kuala Lumpur, Malaysia 19 February 2016

Independent Auditors' Report to the Unitholders Of Atrium Real Estate Investment Trust

Report on the Financial Statements

We have audited the financial statements of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust"), which comprise the statement of financial position as at 31 December 2015 of Atrium REIT, and statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows of Atrium REIT for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 40 to 72.

Directors of Atrium REIT Managers Sdn. Bhd.'s Responsibility for the Financial Statements

The Directors of Atrium REIT Managers Sdn. Bhd. ("the Manager") of Atrium REIT are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards. The Directors of the Manager are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Atrium REIT's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Atrium REIT's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors of the Manager, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Atrium REIT as of 31 December 2015 and of its financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Other Reporting Responsibilities

The supplementary information set out in Note 31 to the financial statements is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The Directors of the Manager are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

Other Matters

This report is made solely to the unitholders of Atrium REIT, as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.



BD0

AF: 0206

Chartered Accountants

Ng Soe Kei 2982/08/17 (J) Chartered Accountant

Kuala Lumpur 19 February 2016

Statement Of Financial Position As at 31 December 2015

	NOTE	2015 RM	2014 RM
ASSETS			
Non-current assets			
Investment properties	7	221,900,000	217,300,000
Current assets			
Trade and other receivables Current tax assets Deposits with a licensed bank	8	1,991,328 112,423 14,649,240	1,769,216 - 13,094,807
Cash and bank balances		143,445	267,338
Non-current asset held for sale	10	16,896,436	15,131,361 8,900,000
TOTAL ASSETS		238,796,436	241,331,361
LIABILITIES			
Non-current liabilities			
Trade and other payables Borrowings	11 12	3,321,551 20,000,000	2,190,316 20,000,000
Current liebilities		23,321,551	22,190,316
Current liabilities	44	0.000.500	5 005 000
Trade and other payables Borrowings	11 12	2,602,563 39,600,000	5,635,802 45,000,000
		42,202,563	50,635,802
TOTAL LIABILITIES		65,524,114	72,826,118
NET ASSET VALUE ("NAV")		173,272,322	168,505,243
FINANCED BY:			
UNITHOLDERS' FUNDS			
Unitholders' capital Undistributed income	13	119,351,580 53,920,742	119,351,580 49,153,663
TOTAL UNITHOLDERS' FUNDS		173,272,322	168,505,243
NUMBER OF UNITS IN CIRCULATION (UNITS)	13	121,801,000	121,801,000
NAV PER UNIT (RM) - Before income distribution - After income distribution		1.4226 1.4096	1.3834 1.3654

The accompanying notes form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 31 December 2015

Section		NOTE	2015 RM	2014 RM
Property operating expenses 16 (1,933,862) (1,866,352) Net rental income 10,933,354 14,286,257 Interest income 556,197 425,966 Changes in fair value of investment property 4,281,163 4,500,000 Gain on disposal of an investment property 4,288,126 - Other income 1,057,289 58,800 Total income 21,096,129 19,271,023 Trust expenses 17 (1,355,407) (1,310,814) Trust expenses 18 (110,127) (106,504) Auditors' fee (23,000) (21,000) Tax agent's fee (5,800) (5,000) Finance costs 19 (2,712,302) (40,000) Administrative expenses (1,247,180) (130,818) Others (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax	Gross revenue	15	12,867,216	16,152,609
Net record income	Property operating expenses	16		
Changes in fair value of investment properties 7 4,291,163 4,500,000 Gain on disposal of an investment property 4,258,126 - Other income 1,057,289 58,800 Total income 21,096,129 19,271,023 Trust expenses 17 (1,355,407) (1,310,814) Truste expenses 18 (110,127) (106,504) Auditors' fee (23,000) (5,000) (5,000) Tax agent's fee (5,800) (5,000) (5,000) Finance costs 19 (2,712,302) (2,809,681) Valuation fees (40,000) (63,500) Administrative expenses (1,247,180) (130,818) Others (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year is made up as follows: 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Unrealised 15,424,667 <td< td=""><td>Net rental income</td><td></td><td>10,933,354</td><td>14,286,257</td></td<>	Net rental income		10,933,354	14,286,257
Gain on disposal of an investment property Other income 4,258,126 1,057,239 58,800 Total income 21,096,129 19,271,023 Trust expenses 17 (1,355,407) (1,310,814) (11,310,814) Manager's fees 18 (110,127) (106,504) (106,504) Auditors' fee (23,000) (21,000) (21,000) Tax agent's fee (3,800) (5,000) (21,000) Finance costs 19 (2,712,302) (2,809,681) (2,809,681) Valuation fees (40,000) (63,500) (35,000) Administrative expenses (1,247,180) (130,818) (130,818) Others (20,069) (1,100) Total expenses (5,513,885) (4,448,417) (4,400) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Unrealised 115,424,667 14,822,606 Unrealised	Interest income		556,197	425,966
Other income 1,057,289 58,800 Total income 21,096,129 19,271,023 Trust expenses 17 (1,355,407) (1,310,814) Manager's fees 18 (110,127) (100,504) Auditors' fee 23,000 (21,000) (23,000) (21,000) Tax agent's fee (8,080) (5,000) (2712,302) (2,809,881) (2,712,302) (2,809,881) Valuation fees (40,000) (63,500) Administrative expenses (1,247,180) (130,818) (11,000) Others (5,513,885) (4,448,417) (40,000) (63,500) (63,500) (7,100) </td <td></td> <td>7</td> <td></td> <td>4,500,000</td>		7		4,500,000
Total income 21,096,129 19,271,023 Trust expenses 1 (1,355,407) (1,310,814) Manager's fees 17 (1,355,407) (1,310,814) Trustee's fees 18 (110,127) (106,504) Auditors' fee (23,000) (21,000) Tax agent's fee (5,800) (5,000) Finance costs 19 (2,712,302) (2,809,881) Valuation fees (40,000) (33,500) (1,247,180) (130,818) Others (1,247,180) (130,818) (1,100) Total expenses (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 Unrealised 15,424,667 14,822,606 <				-
Trust expenses (1,355,407) (1,310,814) Manager's fees 17 (1,355,407) (10,504) Trustee's fees 18 (110,127) (106,504) Auditors' fee (23,000) (21,000) (5,000) Finance costs 19 (2,712,302) (2,809,681) Valuation fees (40,000) (63,500) Administrative expenses (1,247,180) (130,818) Others (20,069) (1,100) Total expenses (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 Unrealised 15,424,667 14,822,606 changes in fair value of investment properties	Other income		1,057,289	58,800
Manager's fees 17 (1,355,407) (1,310,814) Trustee's fees 18 (110,127) (106,504) Auditors' fee (23,000) (21,000) Tax agent's fee (5,800) (5,000) Finance costs 19 (2,712,302) (2,809,681) Valuation fees (40,000) (63,500) Administrative expenses (1,247,180) (130,818) Others (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Net income for the financial year is made up as follows: 34,291,163 4,500,000 Lorealised 4,291,163 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 Earmings per unit (sen) 21 - Before Manager's fees 13.78 13.78	Total income		21,096,129	19,271,023
Trustee's fees 18 (110,127) (23,000) (21,000) (21,000) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (5,800) (6,800) (6,800) (6,800) (6,800) (40,000) (63,500) (40,000) (63,500) (40,000) (63,500) (40,000) (63,500) (40,000) (63,500) (1,100) Administrative expenses (1,247,180) (20,069) (1,100) (130,818) (20,069) (1,100) Total expenses (5,513,885) (20,069) (1,100) (1,247,180) (20,069) (1,100) Net income before tax 15,582,244 (14,822,606) 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 (14,822,606) 14,822,606 Other comprehensive income 15,424,667 (14,822,606) 14,822,606 Net income for the financial year is made up as follows: 31,13,504 (14,822,606) 10,322,606 Net income for the financial year is made up as follows: 34,291,163 (14,822,606) 4,291,163 (14,822,606) Lorrealised (15,124,667 (15,124,667 (14,822,606)) 15,424,667 (14,822,606) 15,424,667 (14,822,606) Lorrealised (15,124,124,667 (15,124,667 (14,822,606)) 15,424,667 (14,822,606) 15,424,667 (14,822,606) Lorrealised (15,124,124,667 (15,124,667 (14,822,606)) 15,424,667 (14,822,606) 15,424,667 (14,822,606) Lorrealised (15,1	Trust expenses			
Auditors' fee (23,000) (5,800) (5,800) (5,000) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (63,500) (1,247,180) (130,818) (1,000) (1,247,180) (1,000) (1,247,180) (1,000) (1,247,180) (1,000) (1,100)	Manager's fees	17	(1,355,407)	(1,310,814)
Tax agent's fee (5,800) (5,000) (5,000) (5,000) (5,000) (2,712,302) (2,809,681) (2,809,681) (40,000) (63,500) (63,500) (1,247,180) (130,818) (1,100) Total expenses (5,513,885) (4,448,417) (5,513,885) (4,448,417) (5,513,885) (4,448,417) (5,513,885) (5,513,885) (4,448,417) (5,513,885) (1,100) (5,513,885) (5,513,885) (5,513,885) (5,513,885) (1,100) (5,513,885) (1,100) (5,513,885) (1,100) (5,513,885) (1,100) (5,513,885) (1,100) (5,513,885) (1,100) (1,100) (1,100) (1,100) (1,100) (1,100)		18		, , ,
Finance costs 19 (2,712,302) (40,000) (63,500) (63,500) (40,000) (63,500) (1,247,180) (20,069) (1,247,180) (130,818) (130,818) (20,069) (1,100) Total expenses (5,513,885) (4,448,417) (4,448,417) Net income before tax 15,582,244 14,822,606 14,822,606 Tax expense 20 (157,577) - - Net income for the financial year 15,424,667 14,822,606 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 14,822,606 Net income for the financial year is made up as follows: 31,133,504 10,322,606 10,322,606 Unrealised 11,133,504 4,500,000 4,291,163 4,500,000 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 14,822,606 Earnings per unit (sen) 21 14,822,606 - Before Manager's fees 13,78 13.24				
Valuation fees (40,000) (1,247,180) (1,247,180) (20,069) (63,500) (1,247,180) (1,247,180) (20,069) (130,818) (20,069) (1,100) Total expenses (5,513,885) (20,069) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 8 11,133,504 10,322,606 Net income for the financial year is made up as follows: 4,291,163 4,500,000 Changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 Before Manager's fees 13.78 13.24	-		, , , , , ,	
Administrative expenses Others (1,247,180) (20,069) (130,818) (11,100) Total expenses (5,513,885) (4,448,417) Net income before tax Tax expense 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: X - Realised 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 Changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 Before Manager's fees 13.78 13.24		19		
Others (20,069) (1,100) Total expenses (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Net income for the financial year is made up as follows: 4,291,163 4,500,000 Changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 15,424,667 14,822,606 Earnings per unit (sen) 21 13.78 13.24				
Total expenses (5,513,885) (4,448,417) Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 Unrealised 4,291,163 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24				
Net income before tax 15,582,244 14,822,606 Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 8 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 4,291,163 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24	Others		(20,069)	(1,100)
Tax expense 20 (157,577) - Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 8 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 10,322,606 10,322,606 10,322,606 10,322,606 11,4822,606 <t< td=""><td>Total expenses</td><td></td><td>(5,513,885)</td><td>(4,448,417)</td></t<>	Total expenses		(5,513,885)	(4,448,417)
Net income for the financial year 15,424,667 14,822,606 Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 8 11,133,504 10,322,606 Unrealised 1,4291,163 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24	Net income before tax		15,582,244	14,822,606
Other comprehensive income, net of tax - - Total comprehensive income 15,424,667 14,822,606 Net income for the financial year is made up as follows: 3 11,133,504 10,322,606 Unrealised 11,133,504 10,322,606 <th< td=""><td>Tax expense</td><td>20</td><td>(157,577)</td><td>-</td></th<>	Tax expense	20	(157,577)	-
Net income for the financial year is made up as follows: 15,424,667 14,822,606 Realised 11,133,504 10,322,606 Unrealised 4,291,163 4,500,000 - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24	Net income for the financial year		15,424,667	14,822,606
Net income for the financial year is made up as follows: Realised 11,133,504 10,322,606 Unrealised 4,291,163 4,500,000 - changes in fair value of investment properties 15,424,667 14,822,606 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24	Other comprehensive income, net of tax		<u> </u>	
Realised Unrealised Unrealised - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) - Before Manager's fees 21 13.78 13.24	Total comprehensive income		15,424,667	14,822,606
Realised Unrealised Unrealised - changes in fair value of investment properties 4,291,163 4,500,000 Earnings per unit (sen) - Before Manager's fees 21 13.78 13.24	Not income for the financial year is made up as follows:			
- changes in fair value of investment properties 4,291,163 4,500,000 15,424,667 14,822,606 Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24	Realised		11,133,504	10,322,606
Earnings per unit (sen) 21 - Before Manager's fees 13.78 13.24			4,291,163	4,500,000
- Before Manager's fees 13.78 13.24			15,424,667	14,822,606
- Before Manager's fees 13.78 13.24	Farnings ner unit (sen)	21		
		<i>L</i> 1	13 78	13 24

Statement of Profit or Loss and Other Comprehensive Income for the Financial Year ended 31 December 2015

	NOTE	2015 RM	2014 RM
Net income distributions*	22		
- First interim income distribution of 1.70 sen paid on 29 May 2015 (2014: 2.20 sen paid on 30 May 2014) - Second interim income distribution of 3.60 sen paid		2,070,617	2,679,622
on 11 September 2015 (2014: 2.20 sen paid on 29 August 2014) - Third interim income distribution of 1.65 sen paid on 27 November 2015 (2014: 2.20 sen paid on		4,384,836	2,679,622
28 November 2013 (2014: 2.20 serr paid off 28 November 2014) - Proposed final income distribution of 1.30 sen payable on 29 February 2016 (2014: 1.80 sen paid on		2,009,717	2,679,622
27 February 2015)		1,583,413	2,192,418
		10,048,583	10,231,284
Income distribution per unit*			
- First interim income distribution		1.70	2.20
- Second interim income distribution		3.60	2.20
- Third interim income distribution		1.65	2.20
- Proposed final income distribution		1.30	1.80
		8.25	8.40

^{*} Withholding tax will be deducted for distributions made for the following categories of unitholders:

	Withholdin	g tax rate
	2015	2014
Resident corporate	Nil^	Nil^
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	25%	25%
Non-resident institutional	10%	10%

[^] No withholding tax; tax at prevailing tax rate

Statement of Changes in Net Asset Value

	Hodde ald and	Undistribu	ted income	Helde aldered
	Unitholders' capital RM	Realised RM	Unrealised RM	Unitholders' fund RM
At 1 January 2015	119,351,580	2,753,663	46,400,000	168,505,243
Operations for the financial year ended 31 December 2015				
Net income for the financial year	-	11,133,504	4,291,163	15,424,667
Realisation of unrealised loss upon disposal of an investment property Other comprehensive income, net of tax		(1,100,000)	1,100,000	-
Total comprehensive income	-	10,033,504	5,391,163	15,424,667
Unitholders' transactions				
Distributions to unitholders: - 2015 interim - 2014 final	-	(8,465,170) (2,192,418)	- -	(8,465,170) (2,192,418)
Decrease in net assets resulting from unitholders' transactions	-	(10,657,588)	-	(10,657,588)
At 31 December 2015	119,351,580	2,129,579	51,791,163	173,272,322
At 1 January 2014 Operations for the financial year ended 31 December 2014	119,351,580	3,149,545	41,900,000	164,401,125
Net income for the financial year Other comprehensive income, net of tax		10,322,606	4,500,000	14,822,606
Total comprehensive income	-	10,322,606	4,500,000	14,822,606
Unitholders' transactions				
Distributions to unitholders: - 2014 interim - 2013 final	-	(8,038,866) (2,679,622)		(8,038,866) (2,679,622)
Decrease in net assets resulting from unitholders' transactions		(10,718,488)	-	(10,718,488)
At 31 December 2014	119,351,580	2,753,663	46,400,000	168,505,243

Statement of Cash Flows

for the Financial Year ended 31 December 2015

CASH FLOWS FROM OPERATING ACTIVITIES Not income before tax 15,582,244 14,822,666 Adjustments for: 7 (4,291,163) (4,500,000) Changes in fair value of investment properties 7 (4,291,163) (4,500,000) Cina on disposal of an investment property 19 2,712,302 2,809,681 Cain on disposal of an investment property (4,258,126) (425,966) Operating income before changes in working capital 9,189,060 12,706,321 Increase in trade and other receivables (Decrease)/increase in trade and other payables (563,986) (813,918) Cash generated from operating activities 6,723,070 13,693,208 Tax paid (270,000) - Vet cash from operating activities 6,453,070 13,693,208 Cash FLOWS FROM INVESTING ACTIVITIES Enhancement of an investment property (308,837) 425,966 Interest received Proceeds from disposal of an investment property (308,037) 425,966 Cash FLOWS FROM FINANCING ACTIVITIES Interest paid (8,466,170) (8,038,666) 7		NOTE	2015 RM	2014 RM
Adjustments for: 7 14,291,163 4,500,000 Changes in fair value of investment properties 7 14,291,163 4,500,000 Finance costs 19 2,712,392 2,809,681 Gain on disposal of an investment property (4,256,126) (556,197) (425,966) Operating income before changes in working capital 9,189,600 12,706,321 Increase in trade and other receivables (663,986) 613,918 Queerasse/Increase in trade and other payables (1,902,004) 1,800,805 Cash generated from operations 6,723,070 13,693,208 Tax paid (270,000) - Net cash from operating activities 6,453,070 13,693,208 CASH FLOWS FROM INVESTING ACTIVITIES Enhancement of an investment property interest received from disposal of an investment property 303,837 425,966 CASH FLOWS FROM FINANCING ACTIVITIES 13,747,360 425,966 CASH FLOWS FROM FINANCING ACTIVITIES 19 (2,712,302) (2,809,681) Interest paid 19 (2,712,302) (2,809,681) Repayments of Short Term Revolvin	CASH FLOWS FROM OPERATING ACTIVITIES			
Changes in fair value of investment properties 7 (4.291, 163) (4.500,000) (4.258,126) (2.800,681) (4.258,126) (4.25,8126) (4.258,126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,8126) (4.25,966) (2.20,002)	Net income before tax		15,582,244	14,822,606
Cash generated from operations Cash from operating activities Cash from investment property Cash generated from disposal of an investment property Cash generated from investing activities Cash from investing activities Cash from investing activities Cash generated from	Changes in fair value of investment properties Finance costs Gain on disposal of an investment property		2,712,302 (4,258,126)	2,809,681
Cash generated from operations	Operating income before changes in working capital		9,189,060	12,706,321
Tax paid (270,000) - Net cash from operating activities 6,453,070 13,693,208 CASH FLOWS FROM INVESTING ACTIVITIES Enhancement of an investment property Interest received Proceeds from disposal of an investment property (308,837) (556,197) (13,500,000) - Net cash from investing activities 13,747,360 425,966 CASH FLOWS FROM FINANCING ACTIVITIES Interest paid Repayments of Short Term Revolving Credit Distributions paid to unithoiders - Current year (8,465,170) (5,400,000) (2,609,681) (5,400,000) (2,609,681) (5,400,000) (2,609,681) (2,609,681) (2,609,682) Net cash used in financing activities (18,769,890) (13,528,169) (2,679,622) Net increase in cash and cash equivalents 1,430,540 (2,679,622) Net increase in cash and cash equivalents 1,430,540 (2,679,622) CASH AND CASH Equivalents at end of financial year 13,362,145 (12,771,140) CASH AND CASH Equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) 14,649,240 (13,094,807) (26,33,304) (
Net cash from operating activities 6,453,070 13,693,208 CASH FLOWS FROM INVESTING ACTIVITIES Enhancement of an investment property Interest received Proceeds from disposal of an investment property (308,837) 556,197 425,966 137,500,000 - Proceeds from disposal of an investment property 13,500,000 425,966 Net cash from investing activities 13,747,360 425,966 CASH FLOWS FROM FINANCING ACTIVITIES 50,400,000 425,966 Interest paid Repayments of Short Term Revolving Credit Distributions paid to untiholders - Current year (8,465,170) (5,400,000) (2,809,681) (2,609,681) (2,609,681) (2,609,682) (8,038,866) (2,679,622) Net cash used in financing activities (18,769,890) (13,528,169) (13,528,169) Net increase in cash and cash equivalents 1,430,540 (2,679,622) Net increase in cash and cash equivalents at beginning of financial year 13,362,145 (12,771,140) Cash and cash equivalents at end of financial year 13,362,145 (12,771,140) Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: 14,649,240 (13,094,807) (13,0	Cash generated from operations		6,723,070	13,693,208
CASH FLOWS FROM INVESTING ACTIVITIES Enhancement of an investment property Interest received Proceeds from disposal of an investment property (308,837) 556,197 425,966 Proceeds from disposal of an investment property 13,500,000 Net cash from investing activities 13,747,360 425,966 CASH FLOWS FROM FINANCING ACTIVITIES 19 (2,712,302) (5,400,000) (2,809,681) Interest paid Repayments of Short Term Revolving Credit Distributions paid to unitholders - Current year (8,465,170) (6,400,000) (1,5400,000) - 0 Previous year (2,192,418) (2,679,622)	Tax paid		(270,000)	
Cash and cash equivalents at end of financial year cash and cash equivalents at end of financial year cash and cash equivalents at end of financial year cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Cash and cash equivalents at licensed bank (not more than three months) (2,034,807,268,61,70) (2,034,807,268,31) (2,0	Net cash from operating activities		6,453,070	13,693,208
Net cash from investing activities 13,747,360 425,966 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,500,000 7 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 425,966 13,747,360 19,747,	CASH FLOWS FROM INVESTING ACTIVITIES			
Interest paid Repayments of Short Term Revolving Credit Distributions paid to unitholders - Current year (8,465,170) (2,192,418) (2,679,622) Net cash used in financing activities (18,769,890) (13,528,169) Net increase in cash and cash equivalents 1,430,540 591,005 Cash and cash equivalents at beginning of financial year 13,362,145 12,771,140 Cash and cash equivalents at end of financial year 14,792,685 13,362,145 CASH AND CASH EQUIVALENTS Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) 14,649,240 13,094,807 Cash and bank balances 142,647,338	Interest received		556,197	- 425,966 -
Interest paid Repayments of Short Term Revolving Credit Distributions paid to unitholders - Current year - Previous year Net cash used in financing activities Cash and cash equivalents at beginning of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) Cash and bank balances 19 (2,712,302) (5,400,000) C8,038,866) (2,192,418) C8,038,866) C8,038,866 C8,038,86	Net cash from investing activities		13,747,360	425,966
Repayments of Short Term Revolving Credit Distributions paid to unitholders - Current year - Previous year Net cash used in financing activities (18,769,890) Net increase in cash and cash equivalents Cash and cash equivalents at beginning of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents at end of financial year CASH AND CASH EQUIVALENTS Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) Cash and bank balances 1,430,540 11,430,540 12,771,140 12,771,140 13,362,145 13,362,145 13,362,145 13,362,145 13,362,145 14,649,240 13,094,807 Cash and bank balances	CASH FLOWS FROM FINANCING ACTIVITIES			
Net cash used in financing activities (18,769,890) (13,528,169) Net increase in cash and cash equivalents 1,430,540 591,005 Cash and cash equivalents at beginning of financial year 13,362,145 12,771,140 Cash and cash equivalents at end of financial year 14,792,685 13,362,145 CASH AND CASH EQUIVALENTS Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) 14,649,240 13,094,807 (2sh and bank balances 143,445 267,338	Repayments of Short Term Revolving Credit Distributions paid to unitholders - Current year	19	(5,400,000) (8,465,170)	(8,038,866)
Net increase in cash and cash equivalents Cash and cash equivalents at beginning of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents at end of financial year Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) Cash and bank balances 14,649,240 13,094,807 267,338				
Cash and cash equivalents at beginning of financial year 13,362,145 12,771,140 Cash and cash equivalents at end of financial year 14,792,685 13,362,145 CASH AND CASH EQUIVALENTS Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) 14,649,240 13,094,807 Cash and bank balances 143,445 267,338				
Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) 14,649,240 13,094,807 Cash and bank balances 143,445 267,338	Cash and cash equivalents at beginning of financial year		13,362,145	12,771,140
Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) Cash and bank balances 14,649,240 13,094,807 267,338	Cash and cash equivalents at end of financial year		14,792,685	13,362,145
following amounts in the statement of financial position: Deposits with a licensed bank (not more than three months) Cash and bank balances 14,649,240 13,094,807 143,445 267,338	CASH AND CASH EQUIVALENTS			
(not more than three months) 14,649,240 13,094,807 Cash and bank balances 143,445 267,338				
<u>14,792,685</u> <u>13,362,145</u>	(not more than three months)			
			14,792,685	13,362,145

The accompanying notes form an integral part of these financial statements.

1. Corporate Information

Atrium Real Estate Investment Trust ('Atrium REIT' or 'Trust') is a Malaysia-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 20 November 2006 and the Supplementary Trust Deed dated 25 November 2008 (collectively referred to as the "Deed") between Atrium REIT Managers Sdn. Bhd. ('the Manager') and CIMB Commerce Trustee Berhad ('Trustee'). Atrium REIT is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of Atrium REIT is located at Unit 30-01, Level 30, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No 8, Jalan Kerinchi, 59200 Kuala Lumpur.

The principal place of business of the Trust is located at 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur.

The principal activity of Atrium REIT is investment in real estate and real estate-related assets used whether directly or indirectly through the ownership of single-purpose companies which wholly own real estate. There has been no significant change in the nature of this activity during the financial year.

The financial statements are presented in Ringgit Malaysia ('RM'), which is also the functional currency of the Trust.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors of the Manager, Atrium REIT Managers Sdn. Bhd., on 19 February 2016.

2. Term of the Trust

Atrium REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 19 of the Trust Deed dated 20 November 2006.

3. Basis of Preparation

3.1 Statement of compliance

The financial statements of Atrium REIT set out on pages 40 to 72 have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs') and International Financial Reporting Standards ('IFRSs').

However, Note 31 to the financial statements set out on page 73 has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

4. Significant Accounting Policies

4.1 Basis of accounting

The financial statements of Atrium REIT have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The preparation of financial statements in conformity with MFRSs requires the Directors of the Manager to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors of the Manager are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors of the Manager's best knowledge of events and actions, actual results could differ from those estimates.

4. Significant Accounting Policies (continued)

4.2 Investment properties

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Trust. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

The fair value of investment properties reflects among other things, rental income from current leases and other assumptions that market participants would use when pricing the investment properties under current market conditions.

Fair values of investment properties are based on valuations by registered independent valuers with appropriate recognised professional qualification and has recent experience in the location and category of the investment properties being valued.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

4.3 Leases

Operating leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. Assets leased out under operating lease are presented on the statement of financial position according to the nature of the assets.

Lease payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

4.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Trust.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Trust.

Financial instruments are recognised on the statement of financial position when the Trust has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

4. Significant Accounting Policies (continued)

4.4 Financial Instruments (continued)

(a) Financial assets

A financial asset is classified into the following four (4) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss comprise financial assets that are held for trading (i.e. financial assets acquired principally for the purpose of resale in the near term), derivatives (both, freestanding and embedded) and financial assets that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial asset classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial asset classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial asset classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such items are recognised separately in profit or loss as components of other income or other operating losses.

However, derivatives that are linked to and must be settled by delivery of unquoted equity instruments that do not have a quoted market price in an active market are recognised at cost.

(ii) Held-to-maturity investments

Financial assets classified as held-to-maturity comprise non-derivative financial assets with fixed or determinable payments and fixed maturity that the Trust has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, financial assets classified as held-to-maturity are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as held-to-maturity are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iii) Loans and receivables

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, financial assets classified as loans and receivables are measured at amortised cost using the effective interest method. Gains or losses on financial assets classified as loan and receivables are recognised in profit or loss when the financial assets are derecognised or impaired, and through the amortisation process.

(iv) Available-for-sale financial assets

Financial assets classified as available-for-sale comprise non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets classified as available-for-sale are measured at fair value. Any gains or losses arising from changes in the fair value of financial assets classified as available-for-sale are recognised directly in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. However, interest calculated using the effective interest method is recognised in profit or loss whilst dividends on available-for-sale equity instruments are recognised in profit or loss when the Trust's right to receive payment is established.

4. Significant Accounting Policies (continued)

4.4 Financial Instruments (continued)

(a) Financial assets (continued)

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three (3) months or less, and are used by the Trust in the management of its short term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or marketplace convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

(b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following two (2) categories after initial recognition for the purpose of subsequent measurement:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise financial liabilities that are held for trading, derivatives (both, freestanding and embedded) and financial liabilities that were specifically designated into this classification upon initial recognition.

Subsequent to initial recognition, financial liabilities classified as at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in the fair value of financial liabilities classified as at fair value through profit or loss are recognised in profit or loss. Net gains or losses on financial liabilities classified as at fair value through profit or loss exclude foreign exchange gains and losses, interest and dividend income. Such items are recognised separately in profit or loss as components of other income or other operating losses.

(ii) Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains or losses on other financial liabilities are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

4. Significant Accounting Policies (continued)

4.4 Financial Instruments (continued)

(b) Financial liabilities (continued)

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4.5 Impairment of financial assets

The Trust assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

Loans and receivables

The Trust collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable to determine whether there is objective evidence that an impairment loss on loans and receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of loans and receivables are reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of impairment reversed is recognised in profit or loss.

4.6 Income taxes

Income taxes include all taxes on taxable income. Income taxes also include real property gains taxes payable on disposal of properties.

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

(a) Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable income or loss for a period.

Current tax for the current and prior periods is measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted by end of each reporting period.

4. Significant Accounting Policies (continued)

4.6 Income taxes (continued)

(b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from goodwill or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting income nor taxable income.

A deferred tax asset is recognised only to the extent that it is probable that future taxable income would be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable income would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset would be reduced accordingly. When it becomes probable that sufficient taxable income would be available, such reductions would be reversed to the extent of the taxable income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority on either:

- (i) the same taxable entity; or
- (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax would be charged or credited directly to equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of each reporting period.

Where investment properties are carried at fair value in accordance with the accounting policy set out in Note 4.2 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is depreciable and is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

4.7 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Trust has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

4. Significant Accounting Policies (continued)

4.8 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Trust does not recognise a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust. The Trust does not recognise contingent assets but disclose its existence where inflows of economic benefits are probable, but not virtually certain.

4.9 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, net of discounts and rebates.

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction would flow to the Trust, and the amount of revenue and the cost incurred or to be incurred in respect of the transaction can be reliably measured and specific recognition criteria have been met for each of the activities of the Trust as follows:

(a) Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

4.10 Expenses

(a) Property operating expenses

Property operating expenses consist of property management fees, quit rent, assessment and other outgoings in relation to investment properties where such expenses are the responsibility of the Trust. Property management fees are recognised on an accrual basis.

(b) Borrowing costs

Borrowing cost is recognised in profit or loss in the period in which they are incurred.

(c) Manager's fees

The Manager's fees are recognised on an accrual basis using the applicable formula as stated in Note 17 to the financial statements.

(d) Trustee's fees

The Trustee's fees are recognised on an accrual basis using the applicable formula as stated in Note 18 to the financial statements.

4. Significant Accounting Policies (continued)

4.11 Fair value measurements

The fair value of an asset or a liability is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

The Trust measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Trust has considered the following characteristics when determining fair value:

- (a) the condition and location of the asset; and
- (b) restrictions, if any, on the sale or use of the asset.

The fair value measurement for a non-financial asset takes into account the ability of the market participant to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Trust uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The fair value of a financial or non-financial liability or an entity's own equity instrument assumes that:

- (a) a liability would remain outstanding and the market participant transferee would be required to fulfil the obligation. The liability would not be settled with the counterparty or otherwise extinguished on the measurement date; and
- (b) an entity's own equity instrument would remain outstanding and the market participant transferee would take on the rights and responsibilities associated with the instrument. The instrument would not be cancelled or otherwise extinguished on the measurement date.

4.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts would be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the assets shall be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and its sale must be highly probable. The probability of unitholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable.

The sale is expected to qualify for recognition as a completed sale within one (1) year from the date of classification. However, an extension of the period required to complete the sale does not preclude the assets from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Trust and there is sufficient evidence that the Trust remains committed to its plan to sell the assets.

Immediately before the initial classification as held for sale, the carrying amounts of the assets are measured in accordance with applicable MFRSs. On initial classification as held for sale, non-current assets (other than investment properties and financial assets carried at fair value) are measured at the lower of its carrying amount before the initial classification as held for sale and fair value less costs to sell. The differences, if any, are recognised in profit or loss as impairment loss.

The Trust measures a non-current asset classified as held for distribution to unitholders at the lower of its carrying amount and fair value less costs to distribute.

Non-current assets held for sale are classified as current assets in the statement of financial position and are stated at the lower of carrying amount immediately before initial classification and fair value less costs to sell. Any cumulative income or expense recognised directly in equity relating to the non-current asset classified as held for sale is presented separately.

If the Trust has classified an asset as held for sale but subsequently, the criteria for classification is no longer met, the Trust ceases to classify the asset as held for sale. The Trust measures a non-current asset that ceases to be classified as held for sale at the lower of:

- (i) its carrying amount before the asset was classified as held for sale, adjusted for any revaluations that would have been recognised had the asset not been classified as held for sale; and
- (ii) its recoverable amount at the date of the subsequent decision not to sell.

Effortive Date

Notes to the Financial Statements

5. Adoption of New MFRSs and Amendment to MFRSs

Title

5.1 New MFRSs adopted during the financial year

The Trust adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

THE	Effective Date
Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions	1 July 2014
Amendments to MFRSs Annual Improvements 2010 – 2012 Cycle	1 July 2014
Amendments to MFRSs Annual Improvements 2011 – 2013 Cycle	1 July 2014

 Amendments to MFRS 119 Defined Benefit Plans: Employee Contributions are mandatory for annual periods beginning on or after 1 July 2014.

These Amendments provide a practical expedient in accounting for contributions from employees or third parties to defined benefit plans.

There is no material impact upon the adoption of these Amendments during the financial year.

(b) Amendments to MFRSs *Annual Improvements 2010 – 2012 Cycle* are mandatory for annual periods beginning on or after 1 July 2014.

Amendments to MFRS 2 *Share-based Payment* clarify the definition of 'vesting conditions' by separately defining 'performance condition' and 'service condition' to ensure consistent classification of conditions attached to a share-based payment.

Amendments to MFRS 3 *Business Combinations* clarify that when contingent consideration meets the definition of financial instrument, its classification as a liability or equity is determined by reference to MFRS 132 *Financial Instruments: Presentation.* The Amendments also clarify that contingent consideration classified as an asset or a liability shall be subsequently measured at fair value at each reporting date and changes in fair value shall be recognised in profit or loss.

Amendments to MFRS 8 *Operating Segments* require the disclosure of judgements made in applying the aggregation criteria to operating segments. This includes a brief description of the operating segments that have been aggregated and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The Amendments also clarify that reconciliation of the total reportable segments' assets to the entity's assets is required if that amount is regularly provided to the chief operating decision maker.

Amendments to MFRS 13 Fair Value Measurement relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarify that short-term receivables and payables with no stated interest rates could be held at invoice amounts when the effect of discounting is immaterial.

Amendments to MFRS 116 *Property, Plant and Equipment* and MFRS 138 *Intangible Assets* clarify the accounting for accumulated depreciation or amortisation when an asset is revalued. It clarifies that the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation or amortisation is calculated as the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses.

Amendments to MFRS 124 *Related Party Disclosures* extends the definition of 'related party' to include an entity, or any member of a group of which it is a part, that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

There is no material impact upon the adoption of these Amendments during the financial year.

5. Adoption of New MFRSs and Amendment to MFRSs (continued)

5.1 New MFRSs adopted during the financial year (continued)

(c) Amendments to MFRSs *Annual Improvements 2011 – 2013 Cycle* are mandatory for annual periods beginning on or after 1 July 2014.

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* relates to the Basis for Conclusions which is not an integral part of the Standard. The Basis for Conclusions clarify that a first-time adopter is permitted but not required to apply a new or revised Standard that is not yet mandatory but is available for early application.

Amendments to MFRS 3 *Business Combinations* clarify that MFRS 3 excludes from its scope the accounting for the formation of all types of joint arrangements (as defined in MFRS 11 *Joint Arrangements*) in the financial statements of the joint arrangement itself, but not to the parties to the joint arrangement for their interests in the joint arrangement.

Amendments to MFRS 13 Fair Value Measurement clarify that the scope of the portfolio exception of MFRS 13 includes all contracts accounted for within the scope of MFRS 139 Financial Instruments: Recognition and Measurement or MFRS 9 Financial Instruments, regardless of whether they meet the definition of financial assets or financial liabilities as defined in MFRS 132 Financial Instruments: Presentation.

Amendments to MFRS 140 *Investment Property* clarify that the determination of whether an acquisition of investment property meets the definition of both a business combination as defined in MFRS 3 and investment property as defined in MFRS 140 requires the separate application of both Standards independently of each other.

There is no material impact upon the adoption of these Amendments during the financial year.

5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2016

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Trust.

Title	Effective Date
MFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to MFRS 10, MFRS 12 and MFRS 128 Investment Entities: Applying the Consolidation Exception	1 January 2016
Amendments to MFRS 101 Disclosure Initiative	1 January 2016
Amendments to MFRS 116 and MFRS 138 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
Amendments to MFRS 11 Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
Amendments to MFRS 116 and MFRS 141 Agriculture: Bearer Plants	1 January 2016
Amendments to MFRS 127 Equity Method in Separate Financial Statements	1 January 2016
Amendments to MFRSs Annual Improvements to 2012-2014 Cycle	1 January 2016
MFRS 9 Financial Instruments (IFRS as issued by IASB in July 2014)	1 January 2018
MFRS 15 Revenue from Contracts with Customers	1 January 2018
Amendments to MFRS 10 and MFRS 128 Sale or Contribution of Assets between an Investor and its Associates or Joint Venture	Deferred

The Trust is in the process of assessing the impact of implementing these Standards, since the effects would only be observable for the future financial years.

6. Significant Accounting Estimates and Judgements

6.1 Changes in estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Directors of the Manager are of the opinion that there are no significant changes in estimates at the end of each reporting period.

6.2 Critical judgements made in applying accounting policies

There are no judgements made by the Manager in the process of applying the accounting policies of the Trust that have a significant effect on the amounts recognised in the financial statements.

6.3 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Fair value of investment properties

Fair value is determined in accordance with the Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts which require the investment properties to be valued by independent qualified valuers. In determining the fair value, the valuers used valuation techniques which involve certain estimates.

In relying on the valuation reports, the Manager has exercised its judgement and is satisfied that the valuation methods and estimates reflect the current market conditions. The basis of valuation is disclosed in Note 7(b) to the financial statements.

(ii) Impairment of receivables

The Trust makes impairment of receivables based on an assessment of the recoverability of receivables. Impairment is applied to receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The Manager specifically analyses historical bad debts, customer concentration, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of impairment of receivables. Where expectations differ from the original estimates, the differences would impact the carrying amount of receivables.

(iii) Fair values of borrowings

The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to the Trust for similar financial instruments. Sensitivity analysis of the effects of interest rate risk has been disclosed in Note 27 to the financial statements.

(iv) Fair value measurement

The financial and non-financial assets and liabilities that are measured subsequent to initial recognition at fair value are grouped into Level 1 to Level 3 based on the degree to which the fair value inputs are observable.

- (i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (ii) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of an item into the above levels is based on the lowest level of the inputs used in the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

7. Investment Properties

	2015 RM	2014 RM
As at 1 January Enhancement of an investment property Changes in fair value Reclassification to non-current asset held for sale	217,300,000 308,837 4,291,163	221,700,000 - 4,500,000 (8,900,000)
As at 31 December	221,900,000	217,300,000
Investment properties comprised: Land and buildings	221,900,000	217,300,000

- (a) Investment properties with an aggregate carrying amount of RM110,400,000 (2014: RM106,300,000) are charged to a financial institution for banking facilities granted to the Trust as disclosed in Note 12 to the financial statements.
- (b) Fair value information

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements during the financial years ended 31 December 2015 and 31 December 2014.

The fair values of investment properties of the Trust are categorised as Level 3. Level 3 fair values of freehold land and buildings were determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair value of the investment properties portfolios of the Trust annually. Changes in Level 3 fair value are assessed by the Manager annually after obtaining the valuation reports from the independent valuer.

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between significant unobservable inputs and fair value, is detailed in the table below:

Inter-relationship between significant

Valuation technique used	Significant unobservable inputs	unobservable inputs and fair value measurements
Investment method (refer below)	- Allowance for void of 5% to 15%	The estimated fair value would increase/ (decrease) if:
	Term yield rate of 6.5%Reversionary yield rate of 6.75%Discount rate of 6.75%	 - Allowance for void was lower/(higher) - Term yield rate was higher/(lower) - Reversionary yield rate was higher/(lower) - Discount rate was lower/(higher)

The investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate.

Direct operating expenses arising from investment properties generating rental income during the financial year are as disclosed in Note 16 to the financial statements.

2015				Occupancy rate		Fair value	Cost of investment	Percentage of fair value over Net Asset Value
Description of property	Tenure of land	Location	Existing use	31 December 2015 %	Date of valuation	31 December 2015 RM	31 December 2015 RM	31 December 2015 %
Atrium Shah Alam 1*	Freehold	Shah Alam	Industrial	100	3.12.2015	79,000,000	57,508,837	45.6
Atrium Shah Alam 2	Freehold	Shah Alam	Industrial		3.12.2015	63,000,000	49,100,000	36.4
Atrium Puchong	Freehold	Puchong	Industrial	73	3.12.2015	48,500,000	38,500,000	28.0
Atrium USJ*	Freehold	Subang	Industrial	100	3.12.2015	31,400,000	25,000,000	18.1
						221,900,000	170,108,837	

The properties were valued by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia, using investment method of valuation.

The properties are charged to financial institutions for banking facilities granted to the Trust.

Investment Properties (continued)

2014 Description of property	Tenure of land	Location	Existing use	Occupancy rate as at 31 December 2014 %	Date of valuation	Fair value as at 31 December 2014 RM	Cost of investment as at 31 December 2014 RM	Percentage of fair value over Net Asset Value as at 31 December 2014
Atrium Shah Alam 1*	Freehold	Shah Alam	Industrial	100	27.11.2014	75,000,000	57,200,000	44.6
Atrium Shah Alam 2	Freehold	Shah Alam	Industrial	100	27.11.2014	64,000,000	49,100,000	38.0
Atrium Puchong	Freehold	Puchong	Industrial		27.11.2014	47,000,000	38,500,000	27.9
Atrium USJ*	Freehold	Subang	Industrial	100	27.11.2014	31,300,000	25,000,000	18.6
						217,300,000	169,800,000	

The properties were valued by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers registered with the Board of Valuers, Appraisers & Estate Agents Malaysia, using investment method of valuation.

The properties are charged to financial institutions for banking facilities granted to the Trust.

Investment Properties (continued)

8. Trade and other Receivables

	2015 RM	2014 RM
Trade receivables	879,318	980,934
Other receivables, deposits and prepayments		
Other receivables Deposits	491,422 548,820	31,970 368,820
	1,040,242	400,790
Loans and receivables Prepayments	1,919,560 71,768	1,381,724 387,492
	1,991,328	1,769,216

- (a) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Trust is 30 days (2014: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (b) Trade and other receivables are denominated in Ringgit Malaysia ("RM").
- (c) The ageing analysis of trade receivables of the Trust are as follows:

	2015 RM	2014 RM
Neither past due nor impaired	394,626	120,213
Past due not impaired		
31 to 60 days	-	86,061
61 to 90 days	-	115,500
91 to 120 days	7,500	-
121 to 150 days	-	155,691
More than 151 days	477,192	503,469
	484,692	860,721
	970 210	090 024
	879,318	980,934

- (d) Trade receivables that are neither past due nor impaired as at the end of the reporting period represent existing customers, including related parties, with no defaults in the past.
- (e) Receivables that are past due but not impaired

Based on past experience, the Manager believes that no impairment is necessary in respect of these balances. Trade receivables that are past due but not impaired related to receivables with good track record with the Trust and deposits as collateral.

(f) Information on financial risks of trade and other receivables is disclosed in Note 27 to the financial statements.

9. Deposits with a Licensed Bank

The deposits are placed with a licensed bank at the weighted average interest rates of 3.15% (2014: 3.14%) per annum.

Information on financial risks of cash and bank balances is disclosed in Note 27 to the financial statements.

The deposits are denominated in Ringgit Malaysia ("RM").

10. Non-Current Asset Held for Sale

	2015 RM	2014 RM
Land and building held for sale, carrying amount at cost:		
As at 1 January	8,900,000	-
Disposal	(8,900,000)	-
Reclassification from investment properties		8,900,000
As at 31 December	-	8,900,000

Land and building held for sale as at 31 December 2014 represented Atrium Rawang, which was charged to a financial institution for banking facilities granted to the Trust as disclosed in Note 12 to the financial statements.

The disposal of Atrium Rawang has been completed on 30 April 2015.

11. Trade and Other Payables

	2015 RM	2014 RM
Non-current liabilities Tenants' deposits Current liabilities	3,321,551	2,190,316
Trade payables	44,736	222,964
Other payables and accrued expenses	2,432,827	3,778,427
Tenants' deposits	125,000	1,634,411
	2,602,563	5,635,802
	5,924,114	7,826,118

- (a) Trade payables are non-interest bearing and the normal trade credit terms granted to the Trust is 30 days (2014: 30 days).
- (b) Included in other payables and accrued expenses are amounts owing to the Manager and the Trustee of RM121,935 (2014: RM111,314) and RM Nil (2014: RM9,044) respectively, which are unsecured, interest free and payable monthly in arrears.
- (c) Trade and other payables are denominated in Ringgit Malaysia ("RM").
- (d) Information on financial risks of trade and other payables is disclosed in Note 27 to the financial statements.

12. Borrowings

	2015 RM	2014 RM
Short Term Financing Short Term Revolving Credit ("STRC")	39,600,000	45,000,000
Long Term Financing Term Loan ("TL")	20,000,000	20,000,000
	59,600,000	65,000,000

(a) The STRC facility is secured by a first party legal charge over an investment property, Atrium Shah Alam 1 (2014: Atrium Shah Alam 1 and Atrium Rawang) as disclosed in Note 7 and Note 10 to the financial statements. This financing facility is renewable on a yearly basis and subject to the bank's review.

The STRC facility bears interest ranging from 4.30% to 4.51% (2014: 4.10% to 4.35%) per annum during the financial year.

(b) The term loan bears interest rate at cost of funds plus 0.725% (2014: cost of funds plus 0.725%) per annum and is repayable in one lump sum in October 2018.

The term loan is secured by a first party legal charge over an investment property, Atrium USJ, as disclosed in Note 7 to the financial statements.

- (c) Information on financial risks of borrowings and their remaining maturity are disclosed in Note 27 to the financial statements.
- (d) All borrowings are denominated in Ringgit Malaysia ("RM").

13. Unitholders' Capital

		2015		2014
	Number of Units	RM	Number of Units	RM
Authorised	121,801,000	121,801,000	121,801,000	121,801,000
Issued and Fully Paid	121,801,000	119,351,580	121,801,000	119,351,580

14. Unitholdings of Directors and Related Parties

(a) As at the end of each reporting period, the Manager, Directors of the Manager and related parties who held units in Atrium REIT are as follows:

2015		Percentage	
	Number of	of total units	Market value
	unit held	%	RM
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	750,800	0.62	825,880
Directors of the Manager:			
Wong Sui Ee	363,000	0.30	399,300
Tor Peng Sie	100,000	0.08	110,000
How Hu Son Soong Kwong Heng	100,000 55,000	0.08 0.05	110,000 60,500
Soong Kwong Heng	55,000	0.05	60,500
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	10,024,800	8.23	11,027,280
Sparkle Skyline Sdn. Bhd.	4,258,900	3.50	4,684,790
Chan Kam Tuck ®	30,241,400	24.83	33,265,540
Chan Kum Chong	70,000	0.06	77,000
2014		Percentage	
2014		Percentage of total	Market
2014	Number of	•	Market value
2014	Number of unit held	of total	
2014 Direct unitholdings in Atrium REIT		of total units	value
		of total units	value
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd.	unit held	of total units %	value RM
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager:	unit held 650,800	of total units %	value RM 774,452
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd.	unit held	of total units % 0.53	value RM
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee	650,800 363,000	of total units % 0.53	774,452 431,970
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie	450,800 363,000 100,000	of total units % 0.53 0.30 0.08	774,452 431,970 119,000
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie How Hu Son Soong Kwong Heng	450,800 363,000 100,000 100,000	0.53 0.30 0.08 0.08	value RM 774,452 431,970 119,000 119,000
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie How Hu Son	450,800 363,000 100,000 100,000	0.53 0.30 0.08 0.08	774,452 431,970 119,000 119,000
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie How Hu Son Soong Kwong Heng Related parties of the Manager: Glory Blitz Industries Sdn. Bhd. Sparkle Skyline Sdn. Bhd.	363,000 100,000 100,000 55,000	0.53 0.30 0.08 0.08 0.05	774,452 431,970 119,000 119,000 65,450
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie How Hu Son Soong Kwong Heng Related parties of the Manager: Glory Blitz Industries Sdn. Bhd. Sparkle Skyline Sdn. Bhd. Chan Kam Tuck ®	450,800 363,000 100,000 100,000 55,000 10,024,800 9,258,900 25,186,400	0.53 0.53 0.30 0.08 0.08 0.05 8.23 7.60 20.68	value RM 774,452 431,970 119,000 119,000 65,450 11,929,512 11,018,091 29,971,816
Direct unitholdings in Atrium REIT Atrium REIT Manager Sdn. Bhd. Directors of the Manager: Wong Sui Ee Tor Peng Sie How Hu Son Soong Kwong Heng Related parties of the Manager: Glory Blitz Industries Sdn. Bhd. Sparkle Skyline Sdn. Bhd.	363,000 100,000 100,000 55,000	0.53 0.53 0.30 0.08 0.08 0.05	value RM 774,452 431,970 119,000 119,000 65,450 11,929,512 11,018,091

⁽i) Unitholdings under Chan Kam Tuck is made up of his individual holding of 10,241,400 (2014: 10,186,400) units and his deemed holding of 20,000,000 (2014: 15,000,000) units under a trust where he is a beneficiary.

⁽b) The market value is determined by using the closing market price of the Trust as at 31 December 2015 of RM1.10 (2014: RM1.19).

15. Gross Revenue

Gross rental revenue represents rental income received from the rental of investment properties.

16. Property Operating Expenses

	2015 RM	2014 RM
Property management fees	185,393	224,532
Assessment and quit rent	485,870	498,222
Repair and maintenance	863,314	759,667
Insurance Other operating expenses	278,118 121,167	291,176 92,755
	1,933,862	1,866,352

17. Manager's Fees

Pursuant to the Deed, the Manager is entitled to receive a fee of up to a maximum of 1.0% per annum of the Net Asset Value of Atrium REIT. The Manager's fee is payable in arrears, calculated and accrued daily. However, the Manager has only been charging its fees at the rate of 0.8% (2014: 0.8%) per annum of the Net Asset Value.

18. Trustee's Fees

Pursuant to the Deed, the Trustee is entitled to receive a fee of up to a maximum of 0.4% per annum of the Net Asset Value of the Trust, subject to a minimum fee of RM40,000 per annum. The Trustee's fee is payable in arrears, calculated and accrued daily. However, the Trustee has only been charging its fees at the rate of 0.065% (2014: 0.065%) per annum of the Net Asset Value.

19. Finance Costs

		2015 RM	2014 RM
	Interest expense on: - short term revolving credit facility - term loan	1,781,352 930,950	1,903,295 906,386
		2,712,302	2,809,681
20.	Tax Expense		
		2015 RM	2014 RM
	Income tax expense based on net income for the financial year Real property gains tax	- 157,577	
		157,577	

The Malaysian income tax is calculated at the statutory tax rate of twenty-five percent (25%) (2014: 25%) of the estimated taxable income for the fiscal year.

20. Tax Expense (continued)

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of the Trust is as follows:

	2015 RM	2014 RM
Net income before tax	15,582,244	14,822,606
Tax at Malaysian statutory tax rate of 25% (2014: 25%)	3,895,561	3,705,652
Tax effects in respect of:		
Non-deductible expenses Effect of changes in fair value of investment properties	152,163	45,754
not subject to tax	(1,072,791)	(1,125,000)
Different tax rates arising from gain from real property investments	(630,310)	-
Effect of income exempted from tax	(2,187,046)	(2,626,406)
Tax expense	157,577	

Pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006, provided that 90% or more of the total income of the Trust is distributed to its unitholders in the basis period for a year of assessment, the total income of the Trust for that year of assessment shall be exempted from tax.

The Trust distributed approximately 90.3% (2014: 99.1%) of the realised and distributable income and thus, its total income for the year is exempted from tax.

21. EARNINGS PER UNIT

- (a) The earnings per unit before Manager's fee of 13.78 sen (2014: 13.24 sen) is calculated by dividing the net income after tax but before deduction of manager's fees for the financial year of RM16,780,074 (2014: RM16,133,420) and by the number of units in circulation during the financial year of 121,801,000 (2014: 121,801,000).
- (b) The earnings per unit after Manager's fee of 12.66 sen (2014: 12.17 sen) has been calculated based on net income after tax of RM15,424,667 (2014: RM14,822,606) for the financial year and on the number of units in circulation during the financial year of 121,801,000 (2014: 121,801,000).

22. NET INCOME DISTRIBUTIONS

Distributions to unitholders are from the following sources:

		2015 RM	2014 RM
	Net rental income	10,933,354	14,286,257
	Interest income	556,197	425,966
	Gain on disposal of an investment property	4,258,126	-
	Other income	1,057,289	58,800
		16,804,966	14,771,023
	Less: Expenses	(5,513,885)	(4,448,417)
	2000. Exponedo	(0,010,000)	(1,110,117)
		11,291,081	10,322,606
	Less: Income distributed	(8,465,170)	(8,038,866)
	Less: Proposed final income distribution	(1,583,413)	(2,192,418)
	Balance undistributed income	1,242,498	91,322
23.	Portfolio Turnover Ratio		
		2015	2014
	Portfolio Turnover Ratio ("PTR") (times)	0.05	

PTR is the ratio of the average of total acquisitions and total disposals of investments in Atrium REIT for the financial year ended 31 December 2015 to the average net asset value of the Trust for the financial year calculated on a daily basis.

Since the basis of calculating PTR may vary among real estate investment trusts, comparison of PTR of Atrium REIT with other real estate investment trusts may not be an accurate comparison.

24. Management Expense Ratio

	2015	2014
Management expense ratio ("MER")(%)	1.64	0.99

MER is calculated based on total fees of Atrium REIT incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees, administrative and other expenses, to the average net asset value of the Trust for the financial year calculated on a daily basis.

Since the basis of calculating MER may vary among real estate investment trusts, comparison of MER of Atrium REIT with other real estate investment trusts may not be an accurate comparison.

25. Transaction With Broker/Dealers

There was no transaction made with brokers/dealers during the financial year.

26. Financial Instruments

(a) Capital management

The primary objective of the Manager is to ensure that the Trust would be able to continue as a going concern while maximising the returns to unitholders through a balance of issuance of new units and loan financing. The overall strategy of the Manager remains unchanged from that in the previous financial year.

The Manager manages the capital structure of the Trust and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Manager may adjust the income distribution to unitholders or issue new units. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2015 and 31 December 2014.

The Manager would also comply with the provisions of the Deed and all applicable rules and guidelines prescribed by the Securities Commission relating to the financing of the Trust.

The Manager monitors capital using a gearing ratio, which is total borrowings divided by total assets of the Trust pursuant to Securities Commission's Guidelines on Real Estate Investment Trusts.

		2015 RM	2014 RM
	Total borrowings	59,600,000	65,000,000
	Total assets	238,796,436	241,331,361
	Gearing ratio	24.96%	26.93%
(b)	Financial instruments		
	31 December 2015		Loans and receivables RM
	Financial assets		
	Trade and other receivables, net of prepayments Cash and cash equivalents		1,919,560 14,792,685
			16,712,245
			Other financial liabilities RM
	Financial liabilities		
	Borrowings Trade and other payables		59,600,000 5,924,114

65,524,114

26. Financial Instruments (continued)

(b) Financial instruments (continued)

31 December 2014	Loans and receivables RM
Financial assets	
Trade and other receivables, net of prepayments Cash and cash equivalents	1,381,724 13,362,145
	14,743,869
	Other financial liabilities RM
Financial liabilities	
Borrowings Trade and other payables	65,000,000 7,826,118
	72,826,118

(c) Methods and assumptions used to estimate fair value

The fair value of financial assets and financial liabilities are determined as follows:

(i) Financial instruments that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables under current assets and current liabilities, are reasonable approximation of fair value, due to their short-term nature.

(ii) Borrowings

The fair value of bank borrowings are estimated by discounting expected future cash flows at market related rate for similar instruments at the end of each reporting period.

(d) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

26. Financial Instruments (continued) Fair value hierarchy (continued)

The following table sets out the financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair	Fair value of financial instru	f financial instruments	ts	Fair valt	ie of financial instrum	Fair value of financial instruments not	not	Total fair	Carrying
2015	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3	Total RM	value RM	amount RM
Financial liabilities										
Other financial liabilities	1	20 600 000	ı	20 600 000	1	ı	,	1	700 000 20 800 000	50 600 000
- Borrowings - Tenants' deposits							2,879,229	2,879,229	2,879,229	3,321,551
2014										
Financial liabilities										
Other financial liabilities										
- Borrowings	1	65,000,000	ı	65,000,000	1	ı	1	ı	65,000,000	65,000,000
- Tenants' deposits	'		'		'	'	2,059,024	2,059,024	2,059,024	2,190,316

27. Financial Risks Management Objective and Policies

The financial risk management objective of the Trust is to optimise value creation for unitholders whilst minimising the potential adverse impact arising from fluctuations in interest rates and the unpredictability of the financial markets.

The Trust has informal risk management policies and clearly defined guidelines which set out its overall business strategies and general risk management philosophy. The Trust is exposed mainly to credit risk, liquidity and cash flow risk and interest rate risk, which arises in the normal course of the Trust's business. Information on the Trust of the related exposures is detailed below:

(i) Credit risk

The Trust is exposed to credit risk mainly from receivables. The Trust extends credit to its tenants based upon established credit evaluation and credit control and monitoring guidelines.

The Trust has no major concentration of credit risk as at end of each reporting period. The Trust does not anticipate the carrying amount of the receivable at the end of each reporting period to be significantly different from the values that would eventually be received as the Trust has the right to deduct from the security deposits in the event of default in payment.

The Trust seeks to invest cash assets safely and profitably with placement of such assets with creditworthy licensed banks and financial institutions. In respect of deposits placed in financial institutions in Malaysia, the Directors of the Manager believe that the possibility of non-performance by these financial institutions is remote on the basis of their financial strength.

Exposure to credit risk

At the end of each reporting period, the maximum exposure of the Trust to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

(ii) Liquidity and cash flow risk

The Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance the Trust's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission Guidelines on Real Estate Investment Trusts concerning limits on total borrowings.

At the end of the reporting period, RM39.6 million (2014: RM45.0 million) of the Trust's borrowings comprising Short Term Revolving Credit ("STRC") would be maturing in the next twelve months based on the carrying amount reflected in the financial statements. There would be no roll over risk for the STRC since the Trust is not in breach of any covenants that would trigger an event of default which would affect the bank's assessment to renew the facilities. There was no history of non-renewal of the STRC with the latest renewal by the Bank on 7 July 2015.

The table below summarises the maturity profile of the Trust's liabilities at the end of each reporting period based on contractual undiscounted repayment obligations.

2015	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Financial liabilities				
Trade and other payables	2,477,563	-	-	2,477,563
Tenants' deposit	125,000	702,969	2,618,582	3,446,551
Borrowings	42,260,520	21,705,000	-	63,965,520
Total undiscounted financial liabilities	44,863,083	22,407,969	2,618,582	69,889,634
manola nabinao	11,000,000	<i>LL</i> , 101,000	2,010,002	

27. Financial Risks Management Objective and Policies (continued)

(ii) Liquidity and cash flow risk (continued)

2014	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
Financial liabilities				
Trade and other payables	4,001,391	-	-	4,001,391
Tenants' deposit	1,634,411	2,190,316	-	3,824,727
Borrowings	46,903,500	23,244,932	-	70,148,432
Total undiscounted				
financial liabilities	52,539,302	25,435,248	-	77,974,550

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Trust's financial instruments would fluctuate because of changes in market interest rates.

The Trust's exposure to fluctuation in interest rate risk arises primarily from its interest-earning financial assets and interest-bearing financial liabilities. Interest rate risk is managed by the Manager on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by adverse movements in interest rates. On the other hand, the management has considered the impact arising from interest income as not significant.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following tables sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the Trust's financial instruments that are exposed to interest rate risk:

2015 Floating rates	Note	Weighted average effective interest (per annum)	Within one year RM	One to five years RM	Total RM
Deposits with a licensed bank	9	3.15	14,649,240	-	14,649,240
Term loan	12	4.65	-	20,000,000	20,000,000
Short Term Revolving Credit	12	4.37	39,600,000	-	39,600,000

average effective Within One to interest one year five years 2014 Note (per annum) RM RM	Total RM
Floating rates	
Deposits with a licensed bank 9 3.14 13,094,807 - 13,0	94,807
Term loan 12 4.67 - 20,000,000 20,0	00,000
Short Term Revolving Credit 12 4.31 45,000,000 - 45,0	00,000

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27. Financial Risks Management Objective and Policies (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

As at 31 December 2015, if interest rates at the date had been 10 basis points lower or higher with all other variables held constant, post-tax net income for the financial year would have been RM48,428 (2014: RM52,185) higher or lower, arising mainly as a result of lower or higher interest expense on variable borrowings and interest income from deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

28. OPERATING SEGMENT

As the principal activity of Atrium REIT is to invest in properties, which all are located in Malaysia with the primary objective to derive rental income, there are no risk and returns distinguishable between business and geographical segments. No operating segment is thus presented.

The Directors of the Manager assesses the performance of the operating segments based on various factors, including but not limited to, a measure of profit or loss before tax.

The following are major customers with revenue equal or more than ten percent (10%) of the Trust's revenue:

	2015 RM	2014 RM
Customer A Customer B	3,725,309 3,666,015	4,967,078
Customer C	2,006,021	5,349,390

29. COMMITMENTS

(a) Operating lease commitments

Atrium REIT as lessor

Atrium REIT leases out its investment properties under operating leases. The aggregate future minimum lease receivables under non-cancellable lease arrangements as at the end of each reporting period are as follows:

	2015 RM	2014 RM
Not later than one (1) year Later than one (1) year and not later than five (5) years Later than five (5) years	9,358,020 26,987,884 2,618,583	13,241,694 17,041,079
	38,964,487	30,282,773

29. COMMITMENTS (continued)

(b) Capital commitments

	2015 RM	2014 RM
Capital expenditure in respect of addition of investment properties:		
Approved and contracted for	17,214,872	-
Approved but not contracted for	867,012	
	18,081,884	

30. Significant Event Subsequent to the Financial Year

On 8 January 2016, Atrium REIT has proposed to undertake an Asset Enhancement Initiative ("AEI") on the property located at Lot 7A, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, known as Atrium Shah Alam 2 ("the Property").

The AEI mainly involves the upgrading and refurbishment of the whole warehouse floor slab, the whole warehouse roof, replacement of the lighting system for the whole warehouse, replacement of the rain water goods, external wall and facade repainting and sheet piling works at the rear boundary of the Property. The sheet piling works are necessary to prevent the soil/earth beneath the warehouse floor slab to be drawn out gradually causing the said floor slab to undulate and the rear driveway to settle. The total contract sum for the AEI is approximately RM15.4 million, excluding Goods and Services Tax.

The AEI is targeted to commence in January 2016 and to be completed by October 2016 in phases. The cost of the AEI will be financed via bank borrowings and internal funds.

31. Supplementary Information on Realised and Unrealised Undistributed Income

The undistributed income as at the end of each reporting period may be analysed as follows:

	2015 RM	2014 RM
Total Undistributed Income Of The Trust - Realised - Unrealised	2,129,579 51,791,163	2,753,663 46,400,000
	53,920,742	49,153,663

The unrealised income relates to the cumulative net change arising from the fair value adjustments to the investment properties.

The supplementary information on realised and unrealised undistributed income has been prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ('MIA Guidance') and the directive of Bursa Malaysia Securities Berhad.

Analysis of Unitholdings as at 31 December 2015

SIZE OF HOLDINGS	NO. OF UNITHOLDERS	NO. OF UNITS	%
1 - 99	15	405	0.00
100 - 1,000	487	386,141	0.32
1,001 - 10,000	1,254	6,742,700	5.54
10,001 - 100,000	690	23,258,100	19.09
100,001 to less than 5% of issued units	121	52,313,654	42.95
5% and above of issued units	3	39,100,000	32.10
TOTAL:	2,570	121,801,000	100.00

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 DECEMBER 2015

	Name	No. of units	%
1)	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD (BTR2031)	20,000,000	16.42
2)	CHAN KAM TUCK	10,000,000	8.21
3)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLORY BLITZ INDUSTRIES SDN BHD (TCS)	9,100,000	7.47
4)	SOH KAM ENG	5,426,000	4.45
5)	SPARKLE SKYLINE SDN BHD	3,258,900	2.68
6)	SENTINEL PORTFOLIO SDN. BHD	3,000,000	2.46
7)	STEPHEN EDWARD BLACKBURN	2,068,200	1.70
8)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS INSURANCE BERHAD (LIFE PAR FD)	1,521,000	1.25
9)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS INSURANCE BERHAD (SHH FD)	1,443,900	1.19
10)	CHRISTINA CHONG YOKE LENG	1,231,000	1.01
11)	HLIB NOMINEES (ASING) SDN BHD KWOK CHIU NAM (CCTS)	1,000,000	0.82
12)	HLIB NOMINEES (ASING) SDN BHD CHEUNG SIU WA (CCTS)	1,000,000	0.82
13)	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SPARKLE SKYLINE SDN BHD (DLR 060-MARGIN)	1,000,000	0.82
14)	WIBANAS SDN BHD	979,200	0.80
15)	BEVERLY TOWER DEVELOPMENT SDN BHD	940,000	0.77
16)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS INSURANCE BERHAD (ANN FD)	933,200	0.77
17)	DETIK LEGASI SDN. BHD	879,200	0.72
18)	LIAN MONG YEE @ LIAN MUNG YEE	863,600	0.71
19)	GLORY BLITZ INDUSTRIES SDN BHD	841,800	0.69
20)	CHAI KOOI IM	826,000	0.68
21)	ATRIUM REIT MANAGERS SDN BHD	750,800	0.62

Analysis of Unitholdings as at 31 December 2015 (cont'd)

	Name	No. of units	%
22)	LEONG AH MENG @ LEONG MEE	680,000	0.56
23)	ON THIAM CHAI	662,000	0.54
24)	TEW PENG HWEE @ TEOH PENG HWEE	519,800	0.43
25)	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMPAI DEDIKASI SDN BHD	500,000	0.41
26)	CHOY YOKE CHUN	490,000	0.40
27)	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHAU MEI LAN	460,000	0.38
28)	GUAN BOON KUAN	430,000	0.35
29)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW HOCK HUA (E-SS2)	418,100	0.34
30)	LAW HOCK HUA	400,000	0.33
		71,622,700	58.80

LIST OF SUBSTANTIAL UNITHOLDERS (5% AND ABOVE)

	Name	No. of units	%
1)	CHAN KAM TUCK (Note 1)	30,241,400	24.83
2)	GLORY BLITZ INDUSTRIES SDN BHD	10,024,800	8.23
		40,266,200	33.06

Note 1- Unitholding under Chan Kam Tuck is made up of his individual holding of 10,241,400 units and his deemed holding under a trust where he is the beneficiary.



ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)
(Managed by Atrium REIT Managers Sdn. Bhd. (710526-V))

NOTICE OF THE FOURTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fourth Annual General Meeting ("AGM") of Atrium Real Estate Investment Trust ("Atrium REIT") will be held at Oasis Hall, Ground Floor, Flamingo Hotel, 5, Tasik Ampang, Jalan Hulu Kelang, 68000 Ampang, Selangor Darul Ehsan on Thursday, 28 April 2016 at 10.00 a.m. for the following purpose:-

ORDINARY BUSINESS

To receive the Audited Financial Statements of Atrium REIT for the financial year ended 31 December 2015 together with the Trustee's Report issued by CIMB Commerce Trustee Berhad, as Trustee of Atrium REIT and the Manager's Report issued by Atrium REIT Managers Sdn. Bhd., as the Manager of Atrium REIT and the Auditors' Report thereon.

(See Note 2)

By Order of the Board ATRIUM REIT MANAGERS SDN. BHD. (710526-V) (as the Manager of Atrium Real Estate Investment Trust)

LIM POH YEN (MAICSA 7009745) WONG WAI FOONG (MAICSA 7001358)

Company Secretaries

Kuala Lumpur 29 February 2016

NOTES:-

1. APPOINTMENT OF PROXY

- (i) A unitholder is entitled to attend and vote at any meeting and is entitled to appoint another person (whether a unitholder or not) as his proxy to attend and vote.
 - If a unitholder appoints 2 proxies, the appointment will be invalid unless the unitholder specifies the proportions of his holdings to be represented by each proxy.
- (ii) If the unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with units standing to the credit of the securities account.
- (iii) A proxy has the same rights as the unitholder to vote whether on a poll or a show of hands, to speak and to be reckoned in a quorum.
- (iv) The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation/company, either under its common seal or under the hand of officer or attorney duly authorised.
- (v) The instrument appointing a proxy must be deposited at the office address of the Manager at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur not less than forty-eight (48) hours before the time set for the meeting or any adjournment thereof.
- (vi) Only unitholders whose names appear in the Record of Depositors as at 21 April 2016 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Audited Financial Statements is meant for discussion only as the approval of the unitholders is not required pursuant to the provision under the Guidelines on Real Estate Investment Trust issued by the Securities Commission Malaysia. Hence, this Agenda is not put forward for voting by the unitholders of Atrium REIT.

CDS Account No.



No. of units held

ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)
(Managed by Atrium REIT Managers Sdn. Bhd. (710526-A))

		Contact No. (During office hour)			
I/We		(name of unithold	er as per N	RIC/Company Re	gistration Form, in capital
letters) NRIC No./ID No./Company No.		, ,			, ,
REIT") hereby appoint *			(name of proxy as per NRIC, in capital letters)		
NRIC No(old) or failing him/her		er			
	(name of proxy as	per NRIC, in capital	letters) NR	IC No	
(new)	(old) or failing him,	/her the Chairman	of the Mee	ting as my/our pi	roxy/proxies to attend for
me/us on my/our behalf at the Fourth	Annual General Meeting of A	trium REIT to be he	eld at Oasis	Hall, Ground Floor	, Flamingo Hotel, 5, Tasik
Ampang, Jalan Hulu Kelang, 68000 Am	pang, Selangor Darul Ehsan o	on Thursday, 28 Apr	il 2016 at 10).00 a.m. and at ar	ny adjournment thereof for
considering the business to be transact	ted at the Meeting.				
			_		
D. L. III.	0040		For appointment of two proxies, percentage of unitholdings to be represented by the proxies:-		
Dated this day of	2016		Proxy	No. of units	Percentage (%)
			1		
			2		
			Total		100

NOTES:

- 1. A unitholder is entitled to attend and vote at any meeting and is entitled to appoint another person (whether a unitholder or not) as his proxy to attend and vote.
 - If a unitholder appoints 2 proxies, the appointment will be invalid unless the unitholder specifies the proportions of his holdings to be represented by each proxy.
- 2. If the unitholder is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one proxy in respect of each securities account it holds with units standing to the credit of the securities account.
- 3. A proxy has the same rights as the unitholder to vote whether on a poll or a show of hands, to speak and to be reckoned in a quorum.
- 4. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation/company, either under its common seal or under the hand of officer or attorney duly authorised.
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- 6. Only unitholders whose names appear in the Record of Depositors as at 21 April 2016 will be entitled to attend and vote at the meeting or appoint proxy (proxies) to attend and vote on their behalf.

STAMP

The Manager of ATRIUM REAL ESTATE INVESTMENT TRUST No. 36-2, Jalan 5/101C Off Jalan Kaskas, Jalan Cheras 56100 Kuala Lumpur

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