ATRIUM
REIT

ANNUAL REPORT 2011

ATRIUM REAL ESTATE INVESTMENT TRUST

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ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia under the Deed dated 20 November 2006 entered into between Atrium REIT Managers Sdn Bhd and BHLB Trustee Berhad)

Contents

ATRIUM REIT

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.

Gross dividend yield

8.0%[1] p.a

DPU p.a **8.53 sen**

NAV per unit **RM1.10**

Occupancy

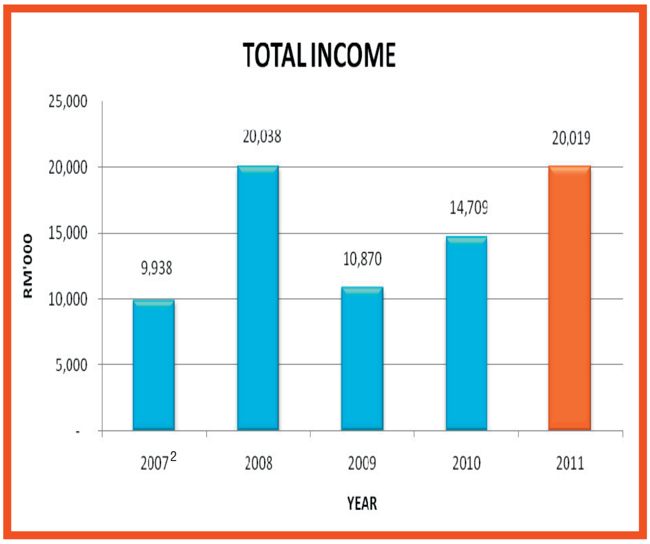
100%

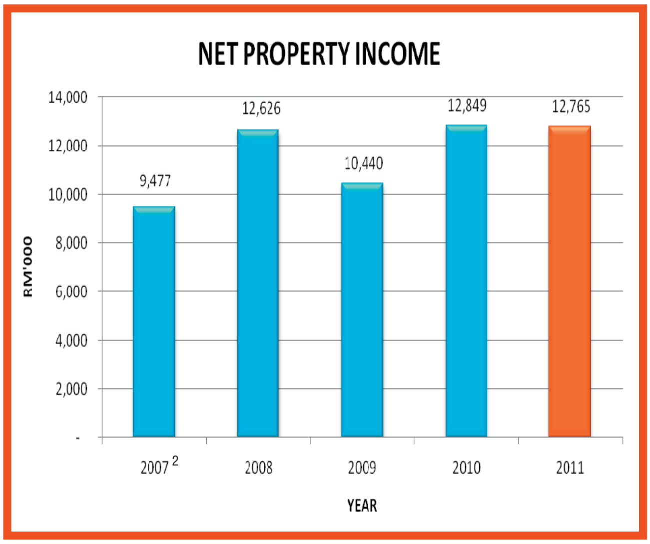
MER **0.85%**

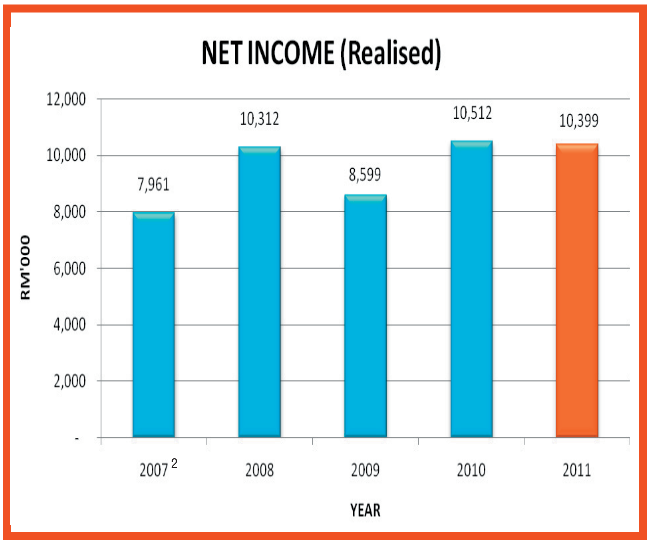
Gearing level

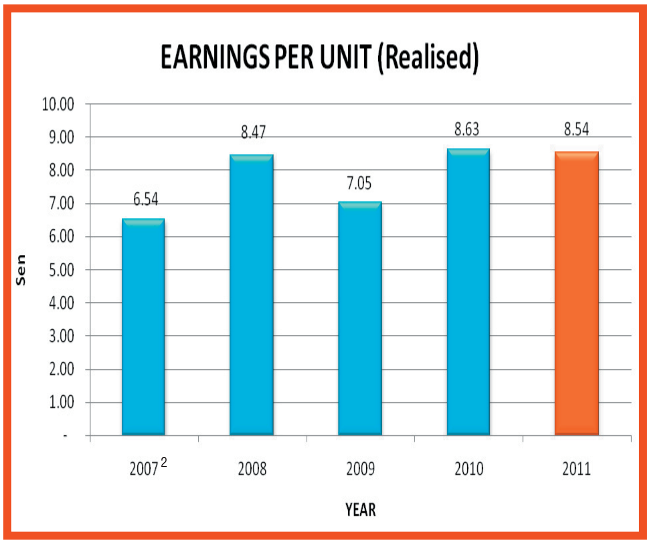
30.74%

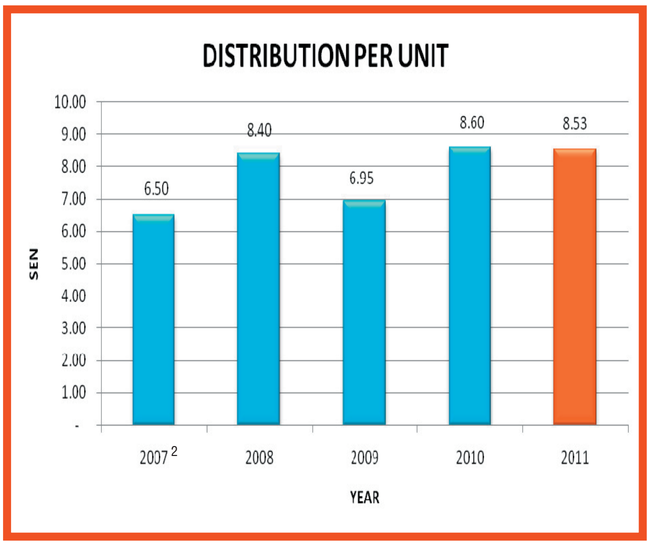
FINANCIAL HIGHLIGHTS

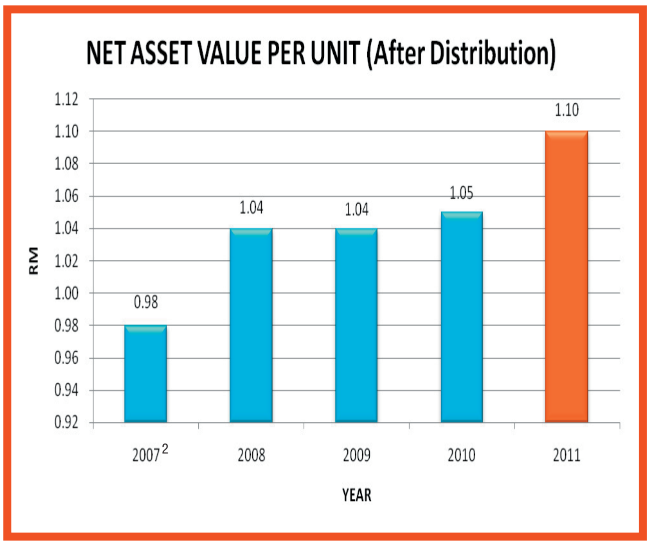






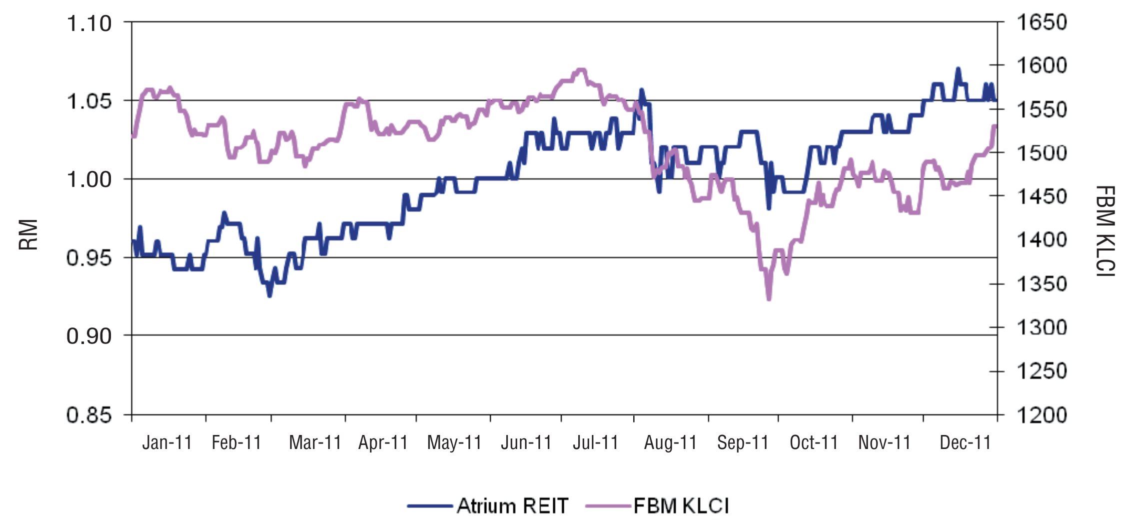




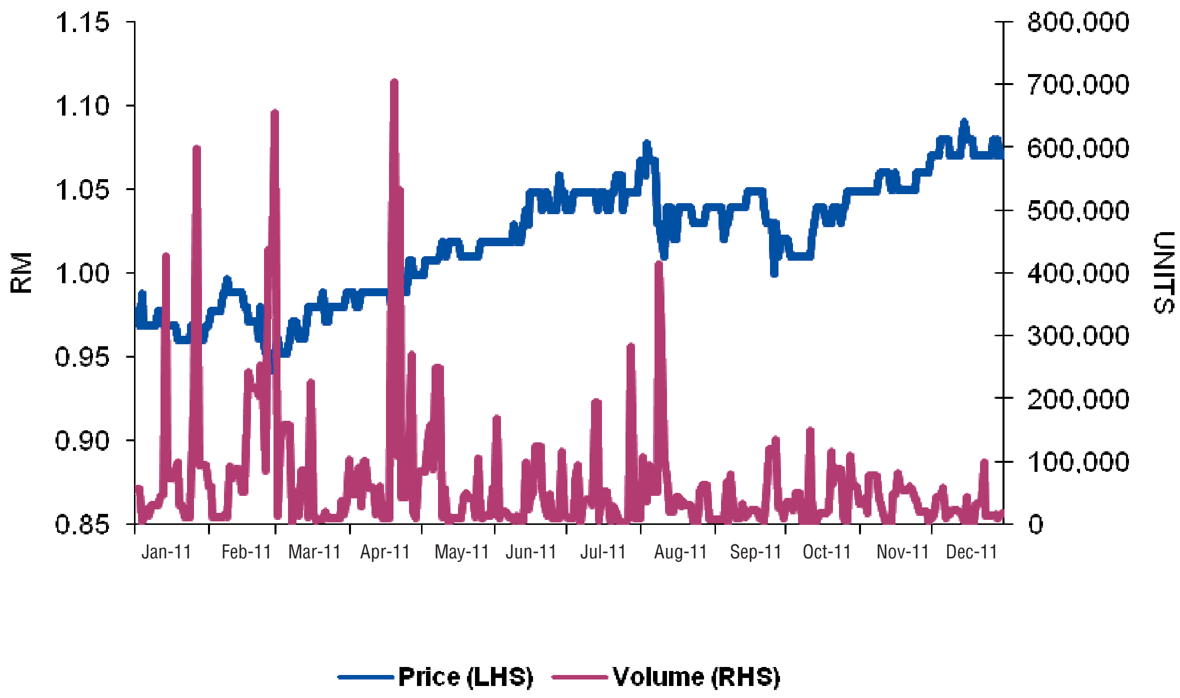


FINANCIAL HIGHLIGHTS

ATRIUM REIT'S UNIT PRICE VS FBM KLCI



UNIT PRICE VS VOLUME



	2011	2010	2009	2008	2007[2]
Asset Under Management (RM'000)	194,700	163,000	161,600	161,600	154,800
Total Borrowings (RM'000)	65,000	45,000	45,000	45,000	45,000
Net Asset Value[3] (RM'000)	137,151	130,527	129,212	128,895	122,197
Market Capitalisation[4] (RM'000)	130,327	129,109	112,057	74,299	121,801
Unit Price[4] (RM)	1.07	1.06	0.92	0.61	1.00
Units in Circulation (units) ('000)	121,801	121,801	121,801	121,801	121,801

1. Based on closing price on 31 December 2011.
2. For the financial period from 2 April 2007 (date of commencement) to 31 December 2007.
3. Comparatives restated pursuant to FRS 110
4. 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 Bhd
Bursa Malaysia Stock Number :	ATRIUM 5130

Dear Unitholders,

On behalf of the Board of Directors of Atrium REIT Managers Sdn Bhd ("Manager"), I have the 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 2011 ("FY2011").

Financial Performance

We are pleased to report that a solid performance was achieved by Atrium REIT for FY2011 albeit a slight dip in gross revenue to RM14.13 million which is 0.25% lower than that achieved for the previous financial year ended 31 December 2010 ("FY2010"). Correspondingly, Net Income (realised) for the year reduced slightly to RM10.40 million (FY2010: RM10.51 million), representing a slight decrease of 1.07%. However, the Trust's financial performance was boosted by positive changes in the fair value of its investment properties of RM6.70 million, contributing to a 5.08% increase in Net Asset Value ("NAV") to RM137.15 million, representing RM1.1260 per unit (FY2010: RM130.53 million or RM1.0716 per unit).

Distribution to Unitholders

Atrium REIT has consistently demonstrated its ability to deliver sustainable and stable distributable income since its listing in 2007. For the 4th quarter of FY2011, the Board of Directors of the Manager is pleased to declare a final distribution of 2.13 sen per unit which will be payable on 29 February 2012. This together with the aggregate distributions already made in respect of the 9 months' financial period from 1 January 2011 to 30 September 2011 of 6.40 sen per unit, gives a total distribution of 8.53 sen per unit for FY2011 (FY2010: 8.60 sen per unit). The distribution yield for FY2011 is a creditable 7.97% based on Atrium REIT's closing market price of RM1.07 per unit as at 31 December 2011 (FY2010: 8.11% distribution yield at closing market price of RM1.06 per unit).

Operations Review

During the financial year under review, Atrium REIT made its maiden acquisition since its listing in 2007 with the successful acquisition of Atrium USJ. With this acquisition, Atrium REIT grew its property portfolio to 5 properties, thus increasing its total net lettable area from 809,668 sq ft to 937,753 sq ft.

For FY2011, a revaluation exercise was also carried out on Atrium REITs' properties in compliance with the Financial Reporting Standard 140. The positive changes in the fair value of investment properties arising from the surplus of the appraised values performed by independent registered valuers over acquisition cost/last valuation conducted in the preceding year amounted to RM6.70 million, which have been duly reflected in the financial statements.

The lease for Atrium Rawang which expired during the FY2011 has been renewed for a further term of 2 years. I am proud to note that currently all of Atrium REIT's properties enjoy 100% occupancy and its tenants are established market leaders in their respective industries, an indication of the quality of the tenants and properties owned by Atrium REIT.

For 2012, the Manager will continue to explore new acquisition opportunities, with focus on industrial properties that meet our investment criteria i.e. located in prime locations with good infrastructures and tenanted by leading businesses on long term leases to enhance the asset values and income growth of the Trust.

However, the Manager believes this focus will be a challenging one due to the substantial gap between market valuations and the asking prices demanded by vendors resulting in lower investment yields.

Whilst the strong economic performance in 2011 augurs well for Malaysia, the stronger domestic demand contributed by steady consumer confidence with stable employment outlook and higher household income from commodity prices, bonuses and public spending led to an overall greater demand for properties from residential to industrial properties for own-use as well as investment purposes. For the Trust, we experienced increasing competition and hence, escalating prices for a scarce supply of investment grade industrial properties. The corresponding upward movement in properties prices is unfortunately not matched by rental rates which have not moved in tandem.

In light of the strong Malaysian economy, Bank Negara Malaysia ("BNM") has been steadily raising its Overnight Policy Rates ("OPR") since January 2010 from 2.0% then to the current 3.0% as a counter-inflationary measure. This inevitably led to higher borrowing costs and hence, higher operating costs for businesses across the sector. For Atrium REIT, its interest expense rose by 14.55% to RM1.82 million (FY2010: RM1.59 million).

Economic Overview

As economies of the world continue to be affected by the European debt crisis and the lacklustre recovery in the US, Malaysian economy continues to be resilient in 2011. Despite the challenging environment, Malaysian economy grew by 5.2% in 3Q 2011 compared to 5.8% in 2Q 2011, fueled by increased public sector investment and government initiatives to develop a high income economy.

However, moderation in economic activities is expected to take place, largely attributed to the weakening of the external sector, as demand for the country's major exports such as electrical and electronics (E&E) manufactures by advanced economies soften. Demand for crude palm oil and crude oil has been less elastic and has helped offset the weakening demand for the E&E sector. While commodity exports remain the main driver for the coming quarters, there are concerns on whether the commodity prices will hold up given that there has been moderation in prices of commodity in recent months due to global growth concerns. While the domestic economy is unlikely to drop sharply, some moderation is expected due to external uncertainties.

On the positive note for the Trust, with the economic momentum set to moderate in 2012, interest rate bias will likely be on the downside as the BNM shifts its focus to prevent growth from slipping too fast. In fact, in BNM's statement after its Monetary Policy Committee meeting on 31 January 2012, it was announced that the OPR will be maintained at 3% in view of the challenging global environment and the risks to the domestic growth and inflation.

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 2011 and I look forward to another fruitful year ahead in the Year of the Dragon with the continued support of my fellow Board members and our valued stakeholders.

DATO' DR IR MOHAMAD KHIR BIN HARUN
Chairman
Atrium REIT Managers Sdn Bhd

Date : 15 February 2012

Atrium Shah Alam 1

Property	Atrium Shah Alam 1
Address	Lot 1-8, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, 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	RM 57,200,000
Tenant	DHL Properties (Malaysia) Sdn Bhd
Occupancy	100%
Tenancy Period	3 years, expiring on 31 December 2013
Major capital expenditure	Nil
Encumbrances	The property is charged to a financial institution to secure a Short Term Revolving Credit facility of RM 45,000,000
Limitation in title/ interest	None
Latest valuation	RM 64,600,000
Date of last valuation	31 December 2011
Valuer	First Pacific Valuers Property Consultants Sdn Bhd

Atrium Shah Alam 2

Property	Atrium Shah Alam 2
Address	Lot 7A, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, 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 258,702 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	RM 49,100,000
Tenant	CEVA Logistics (Malaysia) Sdn Bhd
Occupancy	100%
Tenancy Period	3 years, expiring on 31 May 2012
Major capital expenditure	Nil
Encumbrances	None
Limitation in title/ interest	None
Latest valuation	RM 56,000,000
Date of last valuation	31 December 2011
Valuer	First Pacific Valuers Property Consultants Sdn Bhd

Atrium Puchong

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	RM 38,500,000
Tenant	DHL Supply Chain (Malaysia) Sdn Bhd
Occupancy	100%
Lease Period	4 years, expiring on 18 September 2014
Major capital expenditure	Nil
Encumbrances	None
Limitation in title/ interest	None
Latest valuation	RM 40,300,000
Date of last valuation	31 December 2011
Valuer	First Pacific Valuers Property Consultants Sdn Bhd

Atrium Rawang

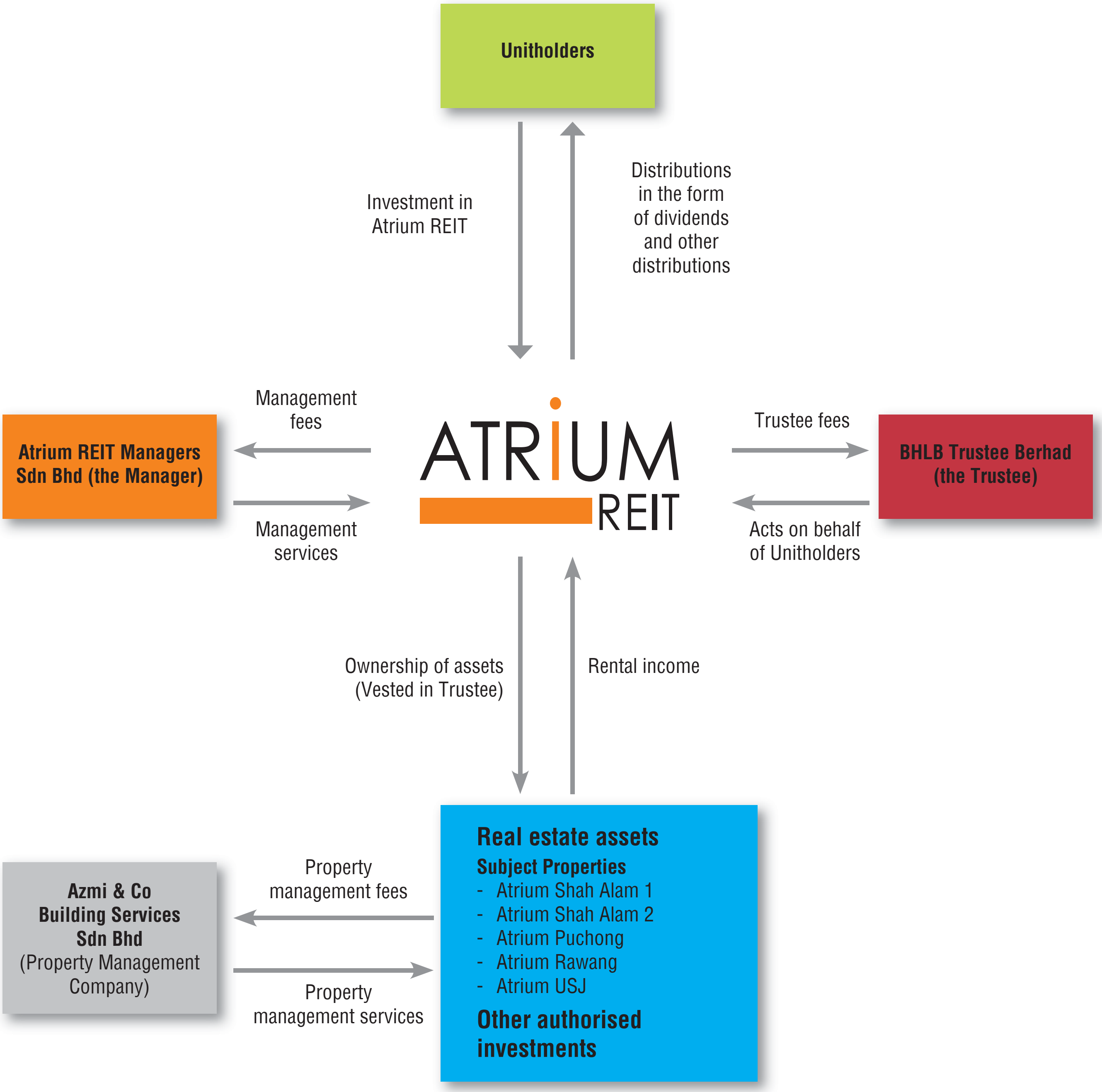
Property	Atrium Rawang
Address	Lot 23, Rawang Integrated Industrial Park, Jalan Batu Arang 48000 Rawang, Selangor Darul Ehsan, Malaysia.
Title details	Geran 205542, Lot 19007, Section 20, Town of Rawang (formerly Mukim of Rawang), District of Gombak, State of Selangor Darul Ehsan.
Property type	Industrial
Description	A double storey office and factory building with a total Net Lettable Area measuring approximately 35,236 sq.ft.
Year of completion	2001
Tenure	Freehold
Existing use	Factory and office
Parking spaces	23 car bays, 15 motorcycle bays, 3 lorry bays
Date of acquisition	2 April 2007
Cost of acquisition	RM 10,000,000
Tenant	Unilever Foods (Malaysia) Sdn Bhd
Occupancy	100%
Tenancy Period	2 years, expiring on 31 October 2013
Major capital expenditure	Nil
Encumbrances	The property is charged to a financial institution to secure a Short Term Revolving Credit facility of RM 45,000,000
Limitation in title/ interest	None
Latest valuation	RM 8,600,000
Date of last valuation	31 December 2011
Valuer	First Pacific Valuers Property Consultants Sdn Bhd

Atrium USJ

Property	Atrium USJ (formerly known as Ascendas Logistics Hub)
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	RM 25,000,000
Tenants	1) SAF-Holland (Malaysia) Sdn Bhd (Block A) 2) Century Total Logistics Sdn Bhd (Block B & C)
Occupancy	100%
Lease/Tenancies Period	Block A - 6 years, expiring on 31 August 2014 Block B - 1 year, expired on 5 February 2012 Block C – 1 year, expiring on 30 June 2012
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	RM 25,200,000
Date of last valuation	31 December 2011
Valuer	Raine & Horne International Zaki + Partners Sdn Bhd

STRUCTURE OF ATRIUM REIT

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:



I) Portfolio Composition of the Trust

	2011 %	2010 %	2009 %	2008 %	2007[1] %
Atrium Shah Alam 1	31	34	34	34	33
Atrium Shah Alam 2	27	30	30	30	29
Atrium Puchong	19	21	21	22	22
Atrium Rawang	4	4	4	4	6
Atrium USJ	12	-	-	-	-
	93	89	89	90	90
Deposits with financial institutions	7	11	11	10	10
	100	100	100	100	100

II) Asset Value, Unit and Market Price information

	2011	2010	2009	2008	2007[1]
Asset under management (RM'000)	194,700	163,000	161,600	161,600	154,800
Total asset value (RM'000)	211,469	183,904	182,350	182,123	173,397
Net asset value[2] (RM'000)	137,151	130,527	129,212	128,895	122,197
Units in circulation (No of units'000)	121,801	121,801	121,801	121,801	121,801
Net asset value ("NAV") per unit					
- As at 31 December (RM)	1.10	1.05	1.04	1.04	0.98
- Highest NAV for the year (RM)	1.10	1.06	1.06	1.04	1.02
- Lowest NAV for the year (RM)	1.05	1.04	1.04	0.98	0.98
Market price per unit					
- As at 31 December (RM)	1.07	1.06	0.92	0.61	1.00
- Highest traded for the year (RM)	1.12	1.10	0.93	1.00	1.13
- Lowest traded for the year (RM)	1.00	0.88	0.61	0.60	0.91

III) Distributions since Commencement

	Distribution Per Unit (Sen)	Distribution Date	Net Asset Value Per Unit (RM) Before Distribution	Net Asset Value Per Unit (RM) After Distribution
2007				
2nd Quarter	2.00	28 Aug 07	1.00	0.98
3rd Quarter	2.20	28 Nov 07	1.00	0.98
4th Quarter	2.30	29 Feb 08	1.00	0.98
2008				
1st Quarter	2.05	30 May 08	1.00	0.98
2nd Quarter	2.10	29 Aug 08	1.00	0.98
3rd Quarter	2.10	28 Nov 08	1.00	0.98
4th Quarter	2.15	6 Mar 09	1.06	1.04
2009				
1st Quarter	1.65	5 Jun 09	1.05	1.04
2nd Quarter	0.80	11 Sep 09	1.05	1.04
3rd Quarter	2.20	30 Nov 09	1.06	1.04
4th Quarter	2.30	25 Feb 10	1.06	1.04
2010				
1st Quarter	2.10	27 May 10	1.06	1.04
2nd Quarter	2.15	27 Aug 10	1.06	1.04
3rd Quarter	2.15	30 Nov 10	1.06	1.04
4th Quarter	2.20	4 Mar 11	1.07	1.05
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

IV) Performance of the Trust

	2011	2010	2009	2008	2007[1]
Total return (%)	9.95	23.88	55.68	(28.76)	5.90
- Capital growth (%)	1.90	15.22	46.03	(39.00)	(0.60)
- Income distribution (%)	8.05	8.66	9.65	10.24	6.50
Income distribution per unit (sen)					
- Gross	8.53	8.60	6.95	8.40	6.50
- Net	8.53	8.60	6.95	8.40	6.50
Management expense ratio (“MER”) (%)	0.85	0.94	0.72	0.89	0.53
Portfolio turnover ratio (“PTR”) (times)	0.19	-	-	-	1.27

V) Average Annual Return For Financial Year Ended 31 December 2011

	Atrium REIT (%)	KLCI (%)
One year	9.95	(0.18)
Since launch (2 April 2007)	14.03	4.80

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.

Note:

[1] *For the financial period from 2 April 2007 (date of commencement) to 31 December 2007*

[2] *Comparatives restated pursuant to FRS 110*

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 Peng Sie	*Independent Non-Executive Director*
Soong Kwong Heng	*Independent Non-Executive Director*

MANAGEMENT

Wong Sui Ee
Executive Director

Chan Kum Chong
Chief Executive Officer

Chuah Kui Pek
Chief Operating Officer

Lee Hooi Hoong
Chief Financial Officer

COMPANY SECRETARY

Ng Yen Hoong (LS 008016)

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
Level 18, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 8888
Fax: 03-2282 2733, 03-2264 8997

TRUSTEE
BHLB Trustee Berhad (313031-A)
Level 7, Wisma Amanah Raya Berhad
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel: 03-2084 8888
Fax: 03-2095 5473

REGISTRAR
Tricor Investor Services Sdn Bhd (118401-V)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883
Fax: 03-2282 1886

AUDITORS
BDO (AF 0206)
Chartered Accountants

PRINCIPAL BANKERS
Malayan Banking Berhad
Public Bank Berhad

PROPERTY MANAGEMENT COMPANY
Azmi & Co Building Services Sdn Bhd (475267-U)
A9-1-1, Jalan Ampang Utama 2/2
One Ampang Business Avenue
68000 Ampang, Selangor
Tel: 03-4256 6868 Fax: 03-4256 2266

BURSA MALAYSIA STOCK NAME AND CODE
ATRIUM 5130

Dato' Dr Ir Mohamad Khir Bin Harun
Chairman

Malaysian, aged 61, 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 Association 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 experience in TM includes 4 years as Senior Vice President of Marketing for Major Corporation, Government and Business Customers, 2 years as Senior General Manager of Telco business strategy development, slightly over 1 year doing corporate strategy works and 5 years in telex, telegraphy and data services.

Wong Sui Ee
Executive Director

Malaysian, aged 42, 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 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.

How Hu Son
Independent Non-Executive Director

Malaysian, aged 62, 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 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 the Director of Yong Peng Batu Bata Berhad and PC ASivil Sdn Bhd. (formerly known as PC Assets Sdn Bhd).

Tor Peng Sie
Independent Non-Executive Director

Malaysian, aged 53, 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 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.

PROFILE OF DIRECTORS

Soong Kwong Heng
Independent Non-Executive Director

Malaysian, aged 62, 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 30 years experience in tax related issues. After his graduation, he began his career in the Department of Inland Revenue Malaysia for 3 years. In 1975, he joined Chan King Sang & Co. as its Tax Manager for 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 56, 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 in-house 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 RM100 million.

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 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.

The following segments describe the Manager's main corporate governance policies and practices which are guided by the measures recommended in the Securities Commission's Guidelines on Real Estate Investment Trust ("REIT Guidelines"), Securities Guidelines on Unit Trust Funds, the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the Malaysian Code on Corporate Governance.

ROLE OF 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 unitholders.

The primary role of the Manager is to set the strategic direction of Atrium REIT and give recommendations to 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.

Other 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 Unitholders within two (2) months of its financial year end;

(d) to attend to all enqueries from unitholders, tenants, media, government bodies, etc;

(e) to supervise the Property Manager, Azmi & Co Building Services Sdn Bhd, which provides property management services in relation to Atrium REIT's properties pursuant to the property management agreement; and

(f) to ensure that Atrium REIT is in compliance with the applicable provisions of the REIT Guidelines, other relavant securities laws, the Listing Requirements of Bursa Securities and 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. This is in compliance with the requirement for at least one-third of the Board to be independent. The diverse background of the members who come from various fields such as engineering, financial, real estate and management provide 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 pages 18 to 19 of the Annual Report.

The Board is of the view that its current members who, as a group, provides 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 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, REIT Guidelines and the Listing Requirements of Bursa Securities. This clear separation of roles between Chairman and 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, supplier 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 2011. 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	4/4
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. The Agenda together with the full set of Board papers containing information relevant to the Board meetings 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 meeting being held and this process enables the Directors to make better and informed decisions.

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

There is a transparent procedure for the appointment of new Directors 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.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that financial statements are drawn up in accordance with the provisions of the Companies Act, 1965, and applicable approved accounting standards in Malaysia. The Directors are satisfied that in preparing the financial statements of Atrium REIT for the financial year ended 31 December 2011, Atrium REIT has applied consistently, suitable accounting policies and supported by reasonable and prudent judgments and estimates.

Internal Control

The Board is required to ensure and maintain a sound system of internal controls and risk management practices to safeguard the Unitholders' investments and the Trust's assets. However, such system can only provide reasonable but not absolute assurance against material misstatements or losses.

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.

MANAGEMENT OF BUSINESS RISK

Recognising and managing risk is central to the business and to protecting 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 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 the Atrium REIT; and
(d) adequately disclosed to Unitholders.

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 the importance of regular communication with 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 Malaysia Securities Bhd website as well as through its own website at www.atriumreit.com.my.

OTHER INFORMATION

Family Relationship with any Directors 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 Director'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 has 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 Economic and Market Update, Key Amendments to Listing Requirements and Corporate Disclosure Guide, Assessing the Risk and Control Enviroment and A Review on Legal Documentations and Ownership of Land in Malaysia by Foreigners.

Sanctions/Penalties Imposed

No sanctions and/or penalties were imposed on Atrium REIT, directors of the Manager or the Manager by the relevant regulatory bodies.

Non-audit Fees

There were no non-audit fees paid or payable to the Fund's auditors, or a firm or company affiliated to the auditors' firm.

FINANCIAL STATEMENTS

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 2011 (FY2011).

ABOUT THE MANAGER

Atrium REIT Managers Sdn Bhd ("Manager") was established in 2005 and is a 60%-owned 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 ("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 estates and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estates. As at 31 December 2011, Atrium REIT's portfolio comprises custom-built logistics warehouses known as Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Puchong, Atrium USJ and a factory complex known as Atrium Rawang (collectively called the "Properties"). These Properties are located at prime sites and tenanted by subsidiaries of multinational companies and established local logistics provider.

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES

The Manager's investment objectives are to maximise 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 the past 19 quarters since the listing of the Trust on 2 April 2007.

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

(i) Organic Growth strategy

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 of tenant;
- location;
- capital appreciation;
- land tenure;
- building designs and specifications; and
- nature of the tenant's business.

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

MANAGER'S INVESTMENT OBJECTIVES AND STRATEGIES (continued)

iii) Financing Strategy

The Manager will comply with the provisions of the Deed and the Securities Commission's Guidelines on Real Estate Investment Trusts ("REIT Guidelines") in relation to the maximum level of permitted borrowings which is set at 50% or any other percentage as stipulated by the REIT 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 REIT 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 the 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 REIT 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 estates, single-purpose companies whose principal assets comprise real estates, real estate-related or non real estate-related assets, liquid assets, asset-backed securities, listed or unlisted debt securities, and any other investments which are permissible under the REIT Guidelines or otherwise permitted by the Securities Commission.

Atrium REIT invests primarily in strategically located properties tenanted to logistics companies and manufacturers and will continue to look for opportunities in these types of properties. However, the Atrium REIT does not intend to limit itself to logistics and 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 2011	As at 31 December 2010	As at 31 December 2009
Net asset value (RM'000)	137,151	130,527	129,212
Units in circulation (units) ('000)	121,801	121,801	121,801
Net asset value per unit (RM)	1.10	1.05	1.04
Market price per unit (RM)	1.07	1.06	0.92
Highest traded price per unit during the year (RM)	1.12	1.10	0.93
Lowest traded price per unit during the year (RM)	1.00	0.88	0.61

Comparison of Results

	FY 2011 RM'000	FY 2010 RM'000	FY 2009 RM'000
Gross Rental Income	14,134	14,170	12,984
Net Income (realised)	10,399	10,512	8,599
Distributable Income (realised)	10,399	10,512	8,599
Income distribution	10,390	10,475	8,465
Distribution per unit (sen)	8.53	8.60	6.95
Distribution yield (%)			
- based on IPO price (RM1.00)	8.53	8.60	6.95
- based on market price as at 31 December	7.97	8.11	7.55
Management Expenses Ratio (%)	0.85	0.94	0.72

Comparison of Results (continued)

Net Income (realised) for the financial year under review is 1.07% lower than that achieved in the last financial year. The slight decrease is due mainly to higher Borrowing Costs and Administrative Expenses even though there was a decrease in Other Expenses. The Borrowing Costs increased due to the hikes in Overnight Policy Rates by Bank Negara Malaysia during the year whilst the Administrative Expenses increased mainly due to the extension fee charged by Maybank for the renewal of the STRC facilities. As for the Other Expenses, the decrease is due to less sundry expenses being incurred.

Maintenance Costs and Major Capital Expenditure

Since the remedial works carried out in 2009 on the warehouse floor slab due to soil settlement in Atrium Shah Alam 2, the Manager has been closely monitoring its state and condition. There appears to be some further soil movement at other parts of the warehouse floor slab which may require remedial works in the future. The Manager will continue to monitor the soil movement and its effect on the warehouse floor slab, and will take the appropriate actions to rectify as and when necessary.

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

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.

For FY2011, Atrium REIT's borrowings increased to RM65.0 million due to an additional Term Loan ("TL") facility of RM20.0 million which was secured to finance the acquisition of Atrium USJ. This TL facility has a tenure of 7 years from the date of first drawdown in November 2011 and will be repaid in full via a bullet repayment at maturity. The existing Short Term Revolving Credit ("STRC") facilities of RM45.0 million which were due for renewal in March 2012 have since been renewed in October 2011.

Both the TL and STRC are secured facilities based on floating rates. The effective rates for the TL and STRC ranged from 3.79% to 4.26% per annum during FY2011.

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

	2011	2010	2009	2008	2007
Total Borrowings (RM'000)	65,000	45,000	45,000	45,000	45,000
- STRC (RM'000)	45,000	45,000	45,000	45,000	45,000
- TL (RM'000)	20,000	-	-	-	-
Total Asset (RM'000)	211,469	183,904	182,350	182,123	173,397
Gearing (%)	30.74	24.47	24.68	24.71	25.95
Interest Rate (%)	3.79 to 4.26	3.06 to 3.82	2.69 to 4.25	4.03 to 4.25	4.04 to 4.28

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 REIT 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 8.53 sen per unit, totaling RM10,389,625, which translates to a yield of 7.97% based on the the closing market price of RM1.07 as at 31 December 2011.

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

	As at 31 December 2011 RM	As at 31 December 2010 RM
NAV per unit - before distribution	1.1260	1.0716
NAV per unit - after distribution	1.1047	1.0496

Changes In The Fair Value Of Investment Properties

The Trust registered a positive change in the fair value of its investment properties arising from the surplus of the appraised values conducted by independent registered valuers over their acquisition cost/last valuation conducted in the preceding year. For FY2011, the surplus on revaluation amounted to RM6.70 million. The revaluation exercise was carried out on the Trust's property portfolio pursuant to Financial Reporting Standard 140 which states that the fair value of the investment property shall reflect market conditions at the balance sheet date.

Investment Of Atrium REIT

Atrium REIT's composition of investment as at 31 December 2011 is as follows:

	RM Million	%
Atrium Shah Alam 1	64.60	31
Atrium Shah Alam 2	56.00	27
Atrium Puchong	40.30	19
Atrium Rawang	8.60	4
Atrium USJ	25.20	12
	194.70	93
Deposits with financial institutions	14.55	7
	209.25	100

Portfolio Review

During FY2011, Atrium REIT successfully completed the acquisition of Atrium USJ, a logistics warehouse located in Taman Perindustrian UEP from Gemini Zone Sdn Bhd. With the completion of this acquisition, it brings the total number of properties owned by Atrium REIT from 4 to 5 properties, increasing the total net lettable area from 809,668 sq ft to 937,753 sq ft.

The lease for Atrium Rawang which expired during the year has been renewed for a further term of 2 years. Currently all of Atrium REIT's properties are 100% tenanted by companies which are established market leaders in their respective industries, an indication of the quality of the tenants and properties owned by Atrium REIT.

The tenancy for Block B, Atrium USJ has expired on 5 February 2012. The Manager is in negotiation with the tenant for the renewal of the tenancy.

As a further indication of the quality of Atrium REIT's portfolio of properties, their fair values have appreciated by a total of RM14.7 million since its listing on the Bursa Malaysia Securities Berhad, from RM154.8 million then to RM169.5 million (excluding Atrium USJ) based on the latest valuation as at 31 December 2011.

REVIEW OF THE PROPERTY MARKET

Overall Economic Overview

The Malaysian economy registered a GDP growth of 5.1% in 2011 (2010: 7.2%). The Malaysian economy growth was largely domestic driven underpinned by its strong economic fundamentals, pragmatic macroeconomic policies and the Economic Transformation Programme (ETP).

Both private and public sectors experienced healthy expansion, with the stronger domestic demand contributed by steady consumer confidence with stable employment outlook and higher household income from high commodity prices, bonuses and public spending that led to higher income growth.

Most sectors maintained their positive growth in 2011 led by service and manufacturing sectors which expanded 6.8% and 4.5% YOY respectively. The agriculture sector grew by 5.6% YOY and the construction sector expanded by 3.5% YOY. The mining sector which had been contracting continued to contract by 5.7% YOY.

Inflation rate is expected to hover around 3.2% to 3.3% in 2011, spurred by higher prices in the food and non-alcoholic beverages, partly contributed by a weakening Ringgit which made imports costlier.

However, the Malaysian economy is not insulated against the rest of the global economy and its growth outlook is weighed down by the still unfolding euro zone debt crisis. The IMF, in its September 2011 World Economic Outlook Report, lowered its forecast for 2012 global growth to 4.0%, down from 5.1% it had forecasted earlier. Growth for 2012 is expected to be much lower on account of external developments.

Going forward, domestic demand will continue to drive Malaysia's economic growth due to the supportive government policies such as the 10th Malaysia Plan, ETP and the 2012 Budget. Under the 2012 Budget, short and long term measures are undertaken to stimulate domestic economic growth including the implementation of the RM6bn Special Stimulus Package through the Private Financing Initiative which will boost the construction sector. Despite the worsening global economic environment, Malaysia is projected by the government to grow at 5.0% for 2012 with expectations of private and public investments.

Overall 2011 Property Market Outlook

With a strong economic growth since 2009, the overall property segment enjoyed remarkable growth in 2010 and 2011, registering approximately 21% and 20% growth respectively. However, in the 2nd half of 2011, the property sector performance was weighed down by the global equity market sell down in August, the underlying regulatory risks which involved minimal increase in Real Property Gains Tax under 2012 Budget and tightening of household lending by Bank Negara Malaysia effective from 1 January 2012.

Industrial Property Sector Highlights

Zeroing down to the industrial property sector, the outlook of this segment in the near term is "promising", underpinned by the ETP, the economic recovery and the shortage of industrial land in Kuala Lumpur, Selangor and Penang. In the Klang Valley, demand for industrial properties is concentrated mainly in Shah Alam, Klang, Subang Jaya, Glenmarie and Puchong due to their good infrastructure network systems, established industrial areas and a wide range of manufacturing and supporting industries.

Overall, market prices for vacant industrial lands in the Klang Valley remain stable except for the prime industrial areas which recorded significant increases in the last 2 years.

Outlook 2012

Weakening sentiment emanating from the ongoing Eurozone debt crisis, a slowing economy and uncertainties over the upcoming 13th General Election are likely to weigh heavily on the property sector in 2012. However, it is generally expected that market conditions will pick up with expected policy response of cuts to the Overnight Policy Rate, raw materials prices to fall, in line with weaker conditions and the outcome of the 13th General Election.

Despite the shorter term concerns in the mid to long term, the Malaysian economy is expected to be driven by improved transport linkages (i.e. the MRT project), the government's ETP projects and contributions from both private and FDI investments, land banking prospects (i.e. the 3,000 acre prime government land in Sg. Buloh to be tendered out), high levels of savings, young demographics and urbanization.

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
How Hu Son
Tor Peng Sie
Soong Kwong Heng

DIRECTORS' INTERESTS

According to the register of Directors' unitholdings in the Atrium REIT, the interests of Directors of the Manager in office at the end of the financial year ended 31 December 2011 are as follows:

	At 1 January 2011	Bought	Sold	At 31 December 2011
Direct Interest				
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-	-
Wong Sui Ee	290,000	18,000	-	308,000
How Hu Son	100,000	-	-	100,000
Tor Peng Sie	100,000	-	-	100,000
Soong Kwong Heng	55,000	-	-	55,000

MANAGER'S FEES AND COMMISSION

Pursuant to the Deed, for the financial year ended 31 December 2011, the Manager received a fee of 0.6% 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 the Atrium REIT.

OTHER STATUTORY INFORMATION

Before the Statement of Financial Position and Statement of Comprehensive Income 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; and

(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.

OTHER STATUTORY INFORMATION (continued)

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.

Auditors

The auditors, Messrs BDO, Chartered Accountants, have expressed their willingness to continue in office.

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: 15 February 2012

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 35 to 70 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 and applicable approved Financial Reporting Standards in Malaysia 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 2011 and of the financial performance and cash flows of the Trust for the financial year then ended.

Signed on behalf of the Manager,

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

....	....
Wong Sui Ee	Dato' Dr. Ir. Mohamad Khir bin Harun

Kuala Lumpur
15 February 2012

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 35 to 70 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 in)
Kuala Lumpur in the Federal)
Territory on 15 February 2012)

....
Wong Sui Ee

Before me:-

Commissioner for Oaths

PESURUHJAYA SUMPAH
W-451
S. IDERAJU
MALAYSIA
Tkt. 18, Wisma Sime Darby
Jalan Raja Laut
50350 Kuala Lumpur

TRUSTEE'S REPORT

We, BHLB Trustee Berhad, have acted as Trustee of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust") for the financial year ended 31 December 2011. 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, the Securities Commission's Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 and other applicable laws during the financial year then ended; and

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 Trust Deed, Supplementary Trust Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2011 are in line with and are reflective of the objectives of Atrium REIT. Four (4) distributions have been declared for the financial year ended 31 December 2011 as follows:

1) First interim income distribution of 2.15 sen paid on 31 May 2011.
2) Second interim income distribution of 2.15 sen paid on 26 August 2011.
3) Third interim income distribution of 2.10 sen paid on 30 November 2011.
4) Fourth and final income distribution of 2.13 sen payable on 29 February 2012.

For and on behalf of the Trustee,
BHLB Trustee Berhad

Jeslin Ng Lai Peng
Associate Director

Kuala Lumpur, Malaysia
15 February 2012

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 2011 of Atrium REIT, and the statement of 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 35 to 70.

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 that give a true and fair view 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 and applicable approved Financial Reporting Standards in Malaysia, and for such internal control as the Directors of the Manager determine are 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 have been properly 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 and applicable approved Financial Reporting Standards in Malaysia so as to give a true and fair view of the financial position of Atrium REIT as at 31 December 2011 and of its financial performance, the changes in net asset value and the cash flows of Atrium REIT for the financial year then ended.

Other Reporting Responsibilities

The supplementary information set out in Note 30 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 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, in accordance with the Securities Commission's Guidelines on Real Estate Investment Trust and for no other purpose. We do not assume responsibility to any other person for the content of this report.

BDO

BDO
AF : 0206
Chartered Accountants

Rejeesh A/L Balasubramaniam
2895/08/12 (J)
Chartered Accountant

Kuala Lumpur
15 February 2012

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2011

	NOTE	2011 RM	2010 RM
ASSETS			
Non-current assets			
Investment properties	6	194,700,000	163,000,000
Current assets			
Trade and other receivables	7	1,488,420	579,254
Deposits placed with licensed financial institutions	8	14,546,371	19,803,050
Cash and bank balances		734,298	521,830
		16,769,089	20,904,134
TOTAL ASSETS		211,469,089	183,904,134
LIABILITIES			
Non-current liabilities			
Trade and other payables	9	2,713,839	3,442,602
Borrowings	10	20,000,000	-
		22,713,839	3,442,602
Current liabilities			
Trade and other payables	9	6,604,332	4,934,888
Borrowings	10	45,000,000	45,000,000
		51,604,332	49,934,888
TOTAL LIABILITIES		74,318,171	53,377,490
NET ASSET VALUE (“NAV”)		137,150,918	130,526,644
FINANCED BY:			
UNITHOLDERS’ FUNDS			
Unitholders’ capital	11	119,351,580	119,351,580
Distributable income		17,799,338	11,175,064
TOTAL UNITHOLDERS’ FUNDS		137,150,918	130,526,644
NUMBER OF UNITS IN CIRCULATION (UNITS)	11	121,801,000	121,801,000
NAV PER UNIT (RM)			
- before final income distribution		1.1260	1.0716
- after final income distribution		1.1047	1.0496

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 RM	2010 RM
Gross revenue	13	14,134,235	14,170,149
Property operating expenses	14	(1,369,666)	(1,320,910)
Net rental income		12,764,569	12,849,239
Interest income		548,554	452,143
Changes in fair value of investment properties		6,700,000	1,400,000
Other income		5,873	8,027
Total income		20,018,996	14,709,409
Trust expenses			
Manager's fees	15	(775,303)	(764,374)
Trustee's fees	16	(51,687)	(50,958)
Auditors' fee		(18,000)	(18,000)
Tax agent's fee		(4,950)	(8,190)
Finance costs	17	(1,823,439)	(1,591,814)
Valuation fees		(55,000)	(68,000)
Administrative expenses		(135,001)	(71,854)
Others		(56,456)	(224,390)
Total expenses		(2,919,836)	(2,797,580)
Income before taxation		17,099,160	11,911,829
Income tax expense	18	-	-
Net income/Total comprehensive income for the financial year		17,099,160	11,911,829
Net income for the financial year is made up as follows:			
Realised		10,399,160	10,511,829
Unrealised			
- changes in fair value of investment properties		6,700,000	1,400,000
		17,099,160	11,911,829

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 RM	2010 RM
Earnings per unit (sen)	19		
- before manager's fees		14.68	10.41
- after manager's fees		14.04	9.78
Net income distributions*	20		
- First interim income distribution of 2.15 sen paid on 31 May 2011 (2010: 2.10 sen paid on 27 May 2010)		2,618,721	2,557,821
- Second interim income distribution of 2.15 sen paid on 26 August 2011 (2010: 2.15 sen paid on 27 August 2010)		2,618,721	2,618,721
- Third interim income distribution of 2.10 sen paid on 30 November 2011 (2010: 2.15 sen paid on 30 November 2010)		2,557,822	2,618,722
- Proposed final income distribution of 2.13 sen payable on 29 February 2012 (2010: 2.20 sen paid on 4 March 2011)		2,594,361	2,679,622
		10,389,625	10,474,886
Income distribution per unit*			
- First interim income distribution		2.15	2.10
- Second interim income distribution		2.15	2.15
- Third interim income distribution		2.10	2.15
- Proposed final income distribution		2.13	2.20
		8.53	8.60

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

	Withholding tax rate 2011	Withholding tax rate 2010
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

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

STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	Note	Unitholders' capital RM	---------- Distributable income ---------- Realised RM	Unrealised RM	Unitholders' funds RM
At 1 January 2011 (as restated)		119,351,580	2,975,064	8,200,000	130,526,644
Operations for the financial year ended 31 December 2011					
Total comprehensive income for the financial year		-	10,399,160	6,700,000	17,099,160
Increase in net asset resulting from operations		-	10,399,160	6,700,000	17,099,160
Unitholders' transactions					
Distributions to unitholders:					
- 2011 interim		-	(7,795,264)	-	(7,795,264)
- 2010 final		-	(2,679,622)	-	(2,679,622)
Decrease in net assets resulting from unitholders' transaction		-	(10,474,886)	-	(10,474,886)
At 31 December 2011		119,351,580	2,899,338	14,900,000	137,150,918
At 1 January 2010 (as restated)	29(a)	119,351,580	3,059,922	6,800,000	129,211,502
Operations for the financial year ended 31 December 2010					
Total comprehensive income for the financial year		-	10,511,829	1,400,000	11,911,829
Increase in net assets resulting from operations		-	10,511,829	1,400,000	11,911,829
Unitholders' transactions					
Distributions to unitholders:					
- 2010 interim		-	(7,795,264)	-	(7,795,264)
- 2009 final	29(a)	-	(2,801,423)	-	(2,801,423)
Decrease in net assets resulting from unitholders' transaction		-	(10,596,687)	-	(10,596,687)
At 31 December 2010 (as restated)		119,351,580	2,975,064	8,200,000	130,526,644

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2011

	NOTE	2011 RM	2010 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before taxation		17,099,160	11,911,829
Adjustments for:			
Changes in fair value of investment properties	6	(6,700,000)	(1,400,000)
Interest income		(548,554)	(452,143)
Finance costs		1,823,439	1,591,814
Operating income before working capital changes		11,674,045	11,651,500
(Increase)/Decrease in trade and other receivables		(909,166)	45,612
Increase in trade and other payables		940,681	239,218
Net cash from operating activities		11,705,560	11,936,330
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investment property	6	(25,000,000)	-
Interest received		548,554	452,143
Net cash (used in)/from investing activities		(24,451,446)	452,143
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(1,823,439)	(1,591,814)
Drawdown of term loans		20,000,000	-
Distributions paid to unitholders			
- In respect of current financial year		(7,795,264)	(7,795,264)
- In respect of previous financial year		(2,679,622)	(2,801,423)
Net cash from/(used in) financing activities		7,701,675	(12,188,501)
Net (decrease)/increase in cash and cash equivalents		(5,044,211)	199,972
Cash and cash equivalents at beginning of financial year		20,324,880	20,124,908
Cash and cash equivalents at end of financial year		15,280,669	20,324,880

CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following in the statement of financial position amounts:

	2011 RM	2010 RM
Deposits placed with licensed financial institutions	14,546,371	19,803,050
Cash and bank balances	734,298	521,830
	15,280,669	20,324,880

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

1. GENERAL 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 "Deed") between Atrium REIT Managers Sdn. Bhd. ("the Manager") and BHLB Trustees Berhad ("Trustee"). Atrium REIT is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office of Atrium REIT is located at Level 18, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 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 the Trust's functional currency.

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 15 February 2012.

2. 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.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements of Atrium REIT have been prepared in accordance with the provisions of the Deed, the Securities Commission's Guidelines on Real Estate Investment Trusts, applicable securities laws and applicable approved Financial Reporting Standards ("FRSs") in Malaysia.

3.2 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 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 3.4 and Note 3.5 to the financial statements. Although these estimates and assumptions are based on the Manager's best knowledge of current events and actions, actual results could differ from those estimates.

The estimates and underlying assumptions are assessed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3.3 Judgement made in applying the accounting policies

There are no judgements made by management in the process of applying the Trust's accounting policies that have the most significant effect on the amounts recognised in the financial statements apart from those involving estimates, which are dealt with below.

3. BASIS OF PREPARATION (continued)

3.4 Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty at the end of the 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 values of investment properties

The fair values of investment properties are determined by independent firms of professional valuers. Significant judgements are involved in determining the fair values by using the various methods of valuation as disclosed in Note 6 to the financial statements.

(ii) 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. It is assumed that the effective interest rates approximate the current market interest rates available to the Trust based on its size and its business risk.

(iii) Deferred tax liabilities

No deferred tax liabilities arose from the fair value gains to the investment properties as it is the intention of the Trust to hold the real estate properties as long term investment. In the event that the Trust decides to dispose of any real estate properties, any gain on such disposal in which the holding period is within five (5) years from the date of acquisition, it will be subject to real property gains tax at the rate of 5%.

(iv) 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 management specifically analyses historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the impairment of receivables. Where expectations differ from the original estimates, the differences will impact the carrying amount of receivables.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs

4.1 New FRSs and amendments to FRSs adopted during the current financial year

(a) Amendments to FRS 132 are mandatory for annual periods beginning on or after 1 March 2010 in respect of the classification of rights issues respectively.

These Amendments clarify that rights, options or warrants to acquire a fixed number of the Trust's own equity instruments for a fixed amount of any currency shall be classified as equity instruments rather than financial liabilities if the Trust offers the rights, options or warrants pro rata to all of its own existing owners of the same class of its own non-derivative equity instruments.

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

(b) IC Interpretation 12 Service Concession Arrangements is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to operators for public-to-private service concession arrangements, whereby infrastructure within the scope of this Interpretation shall not be recognised as property, plant and equipment of the operator. The operator shall recognise and measure revenue in accordance with FRS 111 Construction Contracts and FRS 118 for the services performed. The operator shall also account for revenue and costs relating to construction or upgrade services in accordance with FRS 111.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.1 New FRSs and amendments to FRSs adopted during the current financial year (continued)

(b) IC Interpretation 12 Service Concession Arrangements is mandatory for annual periods beginning on or after 1 July 2010. (continued)

Consideration received or receivable by the operator for the provision of construction or upgrade services shall be recognised at its fair value. If the consideration consists of an unconditional contractual right to receive cash or another financial asset from the grantor, it shall be classified as a financial asset. Conversely, if the consideration consists of a right to charge users of the public service, it shall be classified as an intangible asset.

There is no impact upon adoption of this Interpretation during the financial year.

(c) FRS 1 *First-time Adoption of Financial Reporting Standards* is mandatory for annual periods beginning on or after 1 July 2010.

This Standard supersedes the existing FRS 1 and shall be applied when the Trust adopts FRSs for the first time via the explicit and unreserved statement of compliance with FRSs. An opening FRS statement of financial position shall be prepared and presented at the date of transition to FRS, whereby:

(i) All assets and liabilities shall be recognised in accordance with FRSs;
(ii) Items of assets and liabilities shall not be recognised if FRSs do not permit such recognition;
(iii) Items recognised in accordance with previous GAAP shall be reclassified in accordance with FRSs; and
(iv) All recognised assets and liabilities shall be measured in accordance with FRSs.

All resulting adjustments shall therefore be recognised directly in retained earnings at the date of transition to FRSs.

There is no impact upon adoption of this Standard during the financial year.

(d) FRS 3 *Business Combinations* is mandatory for annual periods beginning on or after 1 July 2010. There is no impact upon adoption of this Standard during the financial year.

(e) FRS 127 *Consolidated and Separate Financial Statements* is mandatory for annual periods beginning on or after 1 July 2010. There is no impact upon adoption of this Standard during the financial year.

(f) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010.

Amendments to FRS 2 *Share-based Payments* clarifies that transactions in which the Trust acquired goods as part of the net assets acquired in a business combination or contribution of a business on the formation of a joint venture are excluded from the scope of this Standard. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 5 clarifies that non-current asset classified as held for distribution to owners acting in their capacity as owners are within the scope of this Standard. The amendment also clarifies that in determining whether a sale is highly probable, the probability of shareholders' approval, if required in the jurisdiction, shall be considered. In a sale plan involving loss of control of a subsidiary, all assets and liabilities of that subsidiary shall be classified as held for sale, regardless of whether the Trust retains a non-controlling interest in its former subsidiary after the sale. Discontinued operations information shall also be presented. Non-current asset classified as held for distribution to owners shall be measured at the lower of its carrying amount and fair value less costs to distribute. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 138 clarifies that the intention of separating an intangible asset is irrelevant in determining the identifiability of the intangible asset. In a separate acquisition and acquisition as part of a business combination, the price paid by the Trust reflects the expectations of the Trust of an inflow of economic benefits, even if there is uncertainty about the timing or the amount of the inflow. Accordingly, the probability criterion is always considered to be satisfied for separately acquired intangible assets. The useful life of a reacquired right recognised as an intangible asset in a business combination shall be the remaining contractual period of the contract in which the right was granted, and do not include renewal periods. In the case of a reacquired right in a business combination, if the right is subsequently reissued to a third party, the related carrying amount shall be used in determining the gain or loss on reissue. There is no impact upon adoption of these Amendments during the financial year.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.1 New FRSs and amendments to FRSs adopted during the current financial year (continued)

(f) Amendments to FRSs are mandatory for annual periods beginning on or after 1 July 2010. (continued)

Amendments to IC Interpretation 9 clarifies that embedded derivatives in contracts acquired in a business combination, combination of entities or business under common controls, or the formation of a joint venture are excluded from this Interpretation. There is no impact upon adoption of these Amendments during the financial year.

(g) IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to hedges undertaken on foreign currency risk arising from net investments in foreign operations and the Trust wishes to qualify for hedge accounting in accordance with FRS 139.

Hedge accounting is applicable only to the foreign exchange differences arising between the functional currency of the foreign operation and the functional currency of any parent (immediate, intermediate or ultimate parent) of that foreign operation. An exposure to foreign currency risk arising from a net investment in a foreign operation may qualify for hedge accounting only once in the consolidated financial statements.

Hedging instruments designated in the hedge of a net investment in a foreign operation may be held by any companies within a group, as long as the designation, documentation and effectiveness requirements of FRS 139 are met.

There is no impact upon adoption of this Interpretation during the financial year.

(h) IC Interpretation 17 *Distributions of Non-cash Assets to Owners* is mandatory for annual periods beginning on or after 1 July 2010.

This Interpretation applies to non-reciprocal distributions of non-cash assets by the Trust to its owners in their capacity as owners, as well as distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This Interpretation also applies to distributions in which all owners of the same class of equity instruments are treated equally.

The liability to pay a dividend shall be recognised when the dividend is appropriately authorised and is no longer at the discretion of the Trust. The liability shall be measured at the fair value of the assets to be distributed. If the Trust gives its owners a choice of receiving either a non-cash asset or a cash alternative, the dividend payable shall be estimated by considering the fair value of both alternatives and the associated probability of the owners' selection.

At the end of each reporting period, the carrying amount of the dividend payable shall be remeasured and any changes shall be recognised in equity. At the settlement date, any difference between the carrying amounts of the assets distributed and the carrying amount of the dividend payable shall be recognised in profit or loss.

There is no impact upon adoption of this Interpretation during the financial year.

(i) Amendment to FRS 1 *Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters* is mandatory for annual periods beginning on or after 1 January 2011.

This Amendment permits a first-time adopter of FRSs to apply the exemption of not restating comparatives for the disclosures required in Amendments to FRS 7.

There is no impact upon adoption of this Amendment during the financial year.

(j) Amendments to FRS 1 *Additional Exemptions for First-time Adopters* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments permits a first-time adopter of FRSs to apply the exemption of not restating the carrying amounts of oil and gas assets determined under previous GAAP.

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

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.1 New FRSs and amendments to FRSs adopted during the current financial year (continued)

(k) Amendments to FRS 7 *Improving Disclosures about Financial Instruments* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments require enhanced disclosures of fair value of financial instruments based on the fair value hierarchy, including the disclosure of significant transfers between Level 1 and Level 2 of the fair value hierarchy as well as reconciliations for fair value measurements in Level 3 of the fair value hierarchy.

By virtue of the exemption provided under paragraph 44G of FRS 7, the impact of applying these Amendments on the financial statements upon first adoption of FRS 7 as required by paragraph 30(b) of FRS 108 are not disclosed.

(l) Amendments to FRS 2 *Group Cash-settled Share-based Payment Transactions* are mandatory for annual periods beginning on or after 1 January 2011.

These Amendments clarify the scope and the accounting for group cash-settled share-based payment transactions in the separate financial statements of the entity receiving the goods or services when that entity has no obligation to settle the share-based payment transaction.

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

(m) IC Interpretation 4 *Determining whether an Arrangement contains a Lease* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation requires the determination of whether an arrangement is, or contains, a lease based on an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset and whether the arrangement conveys a right to use the asset. This assessment shall be made at the inception of the arrangement and subsequently reassessed if certain condition(s) in the Interpretation is met.

There is no impact upon adoption of this Interpretation during the financial year because there are no arrangements dependent on the use of specific assets in the Trust.

(n) IC Interpretation 18 *Transfers of Assets from Customers* is mandatory for annual periods beginning on or after 1 January 2011.

This Interpretation applies to agreements in which an entity receives from a customer either an item of property, plant and equipment that must be used to either connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services or cash for the acquisition or construction of property, plant and equipment. The entity receiving the transferred item is required to assess whether the transferred item meets the definition of an asset set out in the Framework. The credit entry would be accounted for as revenue in accordance with FRS 118.

There is no impact upon adoption of this Interpretation during the financial year because there are no such arrangement in the Trust.

(o) Improvements to FRSs (2010) are mandatory for annual periods beginning on or after 1 January 2011.

Amendments to FRS 1 clarifies that FRS 108 does not apply to changes in accounting policies made upon adoption of FRSs until after the first FRS financial statements have been presented. If changes in accounting policies or exemptions in this FRS are used, an explanation of such changes together with updated reconciliations shall be made in each interim financial report. Entities whose operations are subject to rate regulation are permitted the use of previously revalued amounts as deemed cost. There is no impact upon adoption of these amendments during the financial year.

Amendments to FRS 7 clarifies that quantitative disclosures of risk concentrations are required if the disclosures made in other parts of the financial statements are not readily apparent. The disclosure on maximum exposure to credit risk is not required for financial instruments whose carrying amount best represents the maximum exposure to credit risk. There is no impact upon adoption of these Amendments during the financial year.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.1 New FRSs and amendments to FRSs adopted during the current financial year (continued)

(o) Improvements to FRSs (2010) are mandatory for annual periods beginning on or after 1 January 2011. (continued)

Amendments to FRS 3 clarifies that for each business combination, the acquirer shall measure at the acquisition date non-controlling interests that consists of the present ownership interests and entitle holders to a proportionate share of the entity's net assets in the event of liquidation. Un-replaced and voluntarily replaced share-based payment transactions shall be measured using the market-based measurement method in accordance with FRS 2 at the acquisition date. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 101 clarify that a statement of changes in equity shall be presented as part of a complete set of financial statements and analysis of other comprehensive income shall also be presented in the statement of changes in equity. This has been reflected in the statement of changes in net asset value.

Amendments to FRS 121 *The Effects of Changes in Foreign Exchange Rates* clarify that the accounting treatment for cumulative foreign exchange differences in other comprehensive income for the disposal or partial disposal of a foreign operation shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 128 clarify that the accounting treatment for the cessation of significant influence over an associate shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 131 clarify that the accounting treatment for the cessation of joint control over an entity shall be applied prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 132 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 134 clarify that updated information on significant events and transactions since the end of the last annual reporting period shall be included in the Trust's interim financial report. There is no impact upon adoption of these Amendments during the financial year.

Amendments to FRS 139 clarify that contingent consideration from a business combination that occurred before the effective date of the revised FRS 3 of 1 July 2010 shall be accounted for prospectively. There is no impact upon adoption of these Amendments during the financial year.

Amendments to IC Interpretation 13 clarify that the fair value of award credits takes into account, amongst others, the amount of the discounts or incentives that would otherwise be offered to customers who have not earned award credits from an initial sale. There is no impact upon adoption of these Amendments during the financial year.

4.2 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012.

On 19 November 2011, the Malaysian Accounting Standards Board ('MASB') announced the issuance of the new MFRS framework that is applicable to entities other than private entities.

The Trust is expected to apply the MFRS framework for the financial year ending 31 December 2012.

This would result in the Trust preparing an opening MFRS statement of financial position as at 1 January 2011 which adjusts for differences between the classification and measurement bases in the existing FRS framework versus that in the new MFRS framework. This would also result in a restatement of the annual and quarterly financial performance for the financial year ending 31 December 2011 in accordance with MFRS which would form the MFRS comparatives for the quarter ending 31 March 2012 and financial year ending 31 December 2012 respectively.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.2 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012. (continued)

The MFRSs and IC Interpretations expected to be adopted are as follows:

	Effective Date
MFRS 1 *First-time Adoption of Financial Reporting Standards*	1 January 2012
MFRS 2 *Share-based Payment*	1 January 2012
MFRS 3 *Business Combination*	1 January 2012
MFRS 4 *Insurance Contracts*	1 January 2012
MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*	1 January 2012
MFRS 6 *Exploration for and Evaluation of Mineral Resources*	1 January 2012
MFRS 7 *Financial Instruments: Disclosures*	1 January 2012
MFRS 8 *Operating Segments*	1 January 2012
MFRS 9 *Financial Instruments*	1 January 2013
MFRS 10 *Consolidated Financial Statements*	1 January 2013
MFRS 11 *Joint Arrangements*	1 January 2013
MFRs 12 *Disclosure of Interests in Other Entities*	1 January 2013
MFRS 13 *Fair Value Measurement*	1 January 2013
MFRS 101 *Presentation of Financial Statements*	1 January 2012
Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*	1 July 2012
MFRS 102 *Inventories*	1 January 2012
MFRS 107 *Statement of Cash Flows*	1 January 2012
MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*	1 January 2012
MFRS 110 *Events After the Reporting Period*	1 January 2012
MFRS 111 *Construction Contacts*	1 January 2012
MFRS 112 *Income Taxes*	1 January 2012
MFRS 116 *Property, Plant and Equipment*	1 January 2012
MFRS 117 *Leases*	1 January 2012
MFRS 118 *Revenue*	1 January 2012
MFRS 119 *Employee Benefits*	1 January 2012
MFRS 119 *Employee Benefits (revised)*	1 January 2013
MFRS 120 *Accounting for Government Grants and Disclosure of Government Assistance*	1 January 2012
MFRS 121 *The Effects of Changes in Foreign Exchange Rates*	1 January 2012
MFRS 123 *Borrowing Costs*	1 January 2012
MFRS 124 *Related Party Dislcosures*	1 January 2012
MFRS 126 *Accounting and Reporting by Retirement Benefit Plans*	1 January 2012
MFRS 127 *Consolidated and Separate Financial Statements*	1 January 2012
MFRS 127 *Separate Financial Statements*	1 January 2013
MFRS 128 *Investments in Associates*	1 January 2012
MFRS 128 *Investments in Associates and Joint Ventures*	1 January 2013
MFRS 129 *Financial Reporting in Hyperinflationary Economies*	1 January 2012
MFRS 131 *Interests in Joint Ventures*	1 January 2012
MFRS 132 *Financial Instruments: Presentation*	1 January 2012
MFRS 133 *Earnings Per Share*	1 January 2012
MFRS 134 *Interim Financial Reporting*	1 January 2012
MFRS 136 *Impairment of Assets*	1 January 2012
MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets*	1 January 2012
MFRS 138 *Intangible Assets*	1 January 2012
MFRS 139 *Financial Instruments: Recognition and Measurement*	1 January 2012
MFRS 140 *Investment Property*	1 January 2012
MFRS 141 *Agriculture*	1 January 2012
Improvements to MFRSs	1 January 2012
IC Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*	1 January 2012
IC Interpretation 2 *Members' Shares in Co-operative Entities and Similar Instruments*	1 January 2012
IC Interpretation 4 *Determining Whether an Arrangement Contains a Lease*	1 January 2012

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.2 New Malaysian Financial Reporting Standards ('MFRS') that have been issued, but not yet effective and not yet adopted, for annual periods beginning on or after 1 January 2012. (continued)

	Effective Date
IC Interpretation 5 *Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*	1 January 2012
IC Interpretation 6 *Liabilities Arising from Participating in a Specific Market-Waste Electrical and Electronic Equipment*	1 January 2012
IC Interpretation 7 *Applying the Restatement Approach under MFRS 129 Financial Reporting in Hyperinflationary Economies*	1 January 2012
IC Interpretation 9 *Reassessment of Embedded Derivatives*	1 January 2012
IC Interpretation 10 *Interim Financial Reporting and Impairment*	1 January 2012
IC Interpretation 12 *Service Concession Arrangements*	1 January 2012
IC Interpretation 13 *Customer Loyalty Programmes*	1 January 2012
IC Interpretation 14 *MFRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*	1 January 2012
IC Interpretation 15 *Agreements for the Construction of Real Estate*	1 January 2012
IC Interpretation 16 *Hedges of a Net Investment in a Foreign Operation*	1 January 2012
IC Interpretation 17 *Distributions of Non-cash Assets to Owners*	1 January 2012
IC Interpretation 18 *Transfers of Assets from Customers*	1 January 2012
IC Interpretation 19 *Extinguishing Financial Liabilities with Equity Instruments*	1 January 2012
IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*	1 January 2013
IC Interpretation 107 *Introduction of the Euro*	1 January 2012
IC Interpretation 110 *Government Assistance – No Specific Relation to Operating Activities*	1 January 2012
IC Interpretation 112 *Consolidation – Special Purpose Entities*	1 January 2012
IC Interpretation 113 *Jointly Controlled Entities – Non-Monetary Contributions by Venturers*	1 January 2012
IC Interpretation 115 *Operating Leases – Incentives*	1 January 2012
IC Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*	1 January 2012
IC Interpretation 129 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*	1 January 2012
IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*	1 January 2012
IC Interpretation 132 *Intangible Assets – Web Site Costs*	1 January 2012

Technical Release 3 Guidance on Disclosures of Transition to IFRSs ('TR 3') provides voluntary disclosure requirements on the potential impact of adoption of MFRSs. However, the Trust is in the process of preparing the opening statement of financial statements.

4.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2012 and 1 January 2013

(a) Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income* are mandatory for annual periods beginning on or after 1 July 2012.

These Amendments requires the Trust to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments) or otherwise. It doenot change the option to present items of other comprehensive income either before tax or net of tax. However, if the items are presented before tax, then the tax related to each of the two groups of other comprehensive income items shall be shown separately.

The Trust is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2012 and 1 January 2013 (continued)

(b) MFRS 9 *Financial Instruments* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard addresses the classification and measurement of financial assets and financial liabilities. All financial assets shall be classified on the basis of the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Financial assets are subsequently measured at amortised cost or fair value. Financial liabilities are subsequently measured at amortised cost or fair value. However, changes due to own credit risk in relation to the fair value option for financial liabilities shall be recognised in other comprehensive income.

The Trust is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(c) MFRS 10 *Consolidated Financial Statements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard defines the principle of control and establishes control as the basis for determining which entities are consolidated in the consolidated financial statements. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The investor is required to reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The Trust does not expect any impact on the financial statements arising from the adoption of this Standard.

(d) MFRS 11 *Joint Arrangements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations arising from the arrangement. A joint arrangement is an arrangement of which two or more parties have joint control. Joint arrangements are classified into two types; joint operations and joint ventures. A joint operation is a joint arrangement whereby joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangements. A joint operator recognises and measures the assets and liabilities in relation to its interest in the arrangement in accordance with applicable relevant MFRS whereas a joint venture recognises the investment using the equity method of accounting.

The Trust does not expect any impact on the financial statements arising from the adoption of this Standard.

(e) MFRS 12 *Disclosure of Interests in Other Entities* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard establishes disclosure objectives and requirements that enable users of financial statements to evaluate the nature of, and risks associated with, the Trust's interests in other entities, and the effects of those interests on its financial position, financial performance and cash flows. If the minimum disclosures required in this Standard are not sufficient to meet the disclosure objectives, the Trust is expected to disclose whatever additional information that is necessary to meet that objective.

The Trust does not expect any impact on the financial statements arising from the adoption of this Standard.

4. ADOPTION OF NEW FRSs AND AMENDMENT TO FRSs (continued)

4.3 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 July 2012 and 1 January 2013 (continued)

(f) MFRS 13 *Fair Value Measurements* is mandatory for annual periods beginning on or after 1 January 2013.

This Standard applies to FRS that requires or permits fair value measurements or disclosures about fair value measurements. It explains how to measure fair value for financial reporting and does not require fair value measurements in addition to those already required or permitted by other MFRS. Fair value is defined 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 (i.e. an exit price). The definition of fair value is a market-based measurement and not an entity-specific measurement whereby assumptions made by market participants would be used when pricing the asset or liability under current market conditions. Consequently, the Trust's intention to hold an asset or to settle or fulfill a liability is not relevant when measuring fair value.

The Trust is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(g) MFRS 127 *Separate Financial Statements (revised)* is mandatory effective for annual periods beginning on or after 1 January 2013.

This revised Standard contains accounting requirements for investments in subsidiaries, joint ventures and associates when separate financial statements are prepared. The Trust is required to account for those investments either at cost or in accordance with MFRS 9 in the separate financial statements.

The Trust does not expect any impact on the financial statements arising from the adoption of this Standard.

(h) MFRS 128 *Investments in Associates and Joint Ventures (revised)* is mandatory for annual periods beginning on or after 1 January 2013.

This revised Standard defines the equity method of accounting whereby the investment in an associate or joint venture is initially measured at cost and adjusted thereafter for the post-acquisition change in the investor's share of net assets of the investee. The profit or loss of the investor includes its share of the profit or loss of the investee and the other comprehensive income of the investor includes its share of other comprehensive income of the investee.

The Trust does not expect any impact on the financial statements arising from the adoption of this Standard.

(i) MFRS *119 Employee Benefits (revised)* is mandatory for annual periods beginning on or after 1 January 2013.

This revised Standard requires the Trust to recognise all changes in the defined benefit obligations and in the fair value of related plan assets when those changes occur. The Trust is also required to split the changes in the net defined benefit liability or asset into the following three components: service cost (presented in profit or loss), net interest on the net defined benefit liability (presented in profit or loss) and remeasurement of the net defined benefit liability (presented in other comprehensive income and not recycled through profit or loss).

The Trust is in the process of assessing the impact of implementing this Standard since the effects would only be observable for the financial year ending 31 December 2013.

(j) IC Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine* is mandatory for annual periods beginning on or after 1 January 2013.

This Interpretation clarifies that removed material that can be used to build up inventory is accounted for in accordance with the principles of MFRS 102 *Inventories*. The other removed material, that provides access to deeper levels of material that will be mined in future periods, is recognised as a non-current asset (referred to as a 'stripping activity asset') if recognition criteria are met. This Interpretation requires stripping activity assets to be measured at cost at initial recognition. Consequently, they are carried either at cost or revalued amount less depreciation or amortisation and any impairment losses.

The Trust does not expect any impact on the financial statements arising from the adoption of this Interpretation.

5. SIGNIFICANT ACCOUNTING POLICIES

5.1 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 are the prices at which the properties could be exchanged between knowledgeable, willing parties in an arm's length transaction. The fair value of investment properties reflect market conditions at the balance sheet date, without any deduction for transaction costs that may be incurred on sales or other disposal.

Fair value of investment properties are arrived at by reference to market evidence of transaction prices for similar properties. It is performed 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 properties 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.

5.2 Leases

(a) Finance leases and hire purchase

Assets acquired under finance leases and hire purchase, which transfer substantially all the risks and rewards of ownership to the Trust are recognised initially at amounts equal to the fair value of the leased assets or, if lower, the present value of minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the leases, if this is practicable to determine; if not, the Trust's incremental borrowing rate is used. Any initial direct costs incurred by the Trust are added to the amount recognised as an asset. The assets are capitalised as property, plant and equipment and the corresponding obligations are treated as liabilities. The property, plant and equipment capitalised are depreciated on the same basis as owned assets.

The minimum lease payments are apportioned between the finance charges and the reduction of the outstanding liability. The finance charges are recognised in profit or loss over the period of the lease term so as to produce a constant periodic rate of interest on the remaining lease and hire purchase liabilities.

(b) 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 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.

(a) Financial assets

A financial asset is classified into the following four 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 is 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 Financial instruments (continued)

(a) Financial assets (continued)

(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.

Cash and cash equivalents include cash and bank balances, bank overdrafts, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

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 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 Financial instruments (continued)

(b) Financial liabilities

(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.

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 expired. 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.

The 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.

5.4 Impairment of financial assets

The Trust assesses whether there is any objective evidence that a financial asset is impaired at 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 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.

5.5 Income taxes

Income taxes include all taxes on taxable profit. Income taxes also include other taxes, such as withholding taxes and real property gains taxes payable on disposal of properties.

Taxes in the income statement comprise current and deferred tax.

5.5.1 Current tax

Current tax is the amount of income taxes payable or receivable in respect of the taxable profit 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 the reporting period.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.5 Income taxes (continued)

5.5.2 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 profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profits will 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 profit will 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 will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reductions will be reversed to the extent of the taxable profits.

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 tax 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 will be recognised as income or expense and included in the profit or loss for the year 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 will 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 tax rates and tax laws that have been enacted or substantively enacted by the reporting period.

5.6 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 will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount of a provision will 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 will be required to settle the obligation, the provision will 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.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.7 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will 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 will 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 will 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.

5.8 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 will 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 Trust's activity as follows:

(a) Rental income

Rental income is recognised as they accrue over the term of the leases unless collectability is in doubt, in which case, they are recognised on a receipt basis. The aggregrate cost of incentives provided to the lessee is recognised as a 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.

5.9 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 costs that are directly attributable to the acquisition, construction or production of a qualified asset is capitalised as part of the cost of the asset until when substantially all the activities necessary to prepare the asset for its intended use or sale are complete, after which such expense is charged to profit or loss. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Capitalisation of borrowing cost is suspended during extended periods in which active development is interrupted.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on the borrowing during the period less any investment income on the temporary investment of the borrowing.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

5. SIGNIFICANT ACCOUNTING POLICIES (continued)

5.9 Expenses (continued)

(c) Establishment expenses and equity transaction costs

Establishment expenses represent expenses incurred in establishing and listing the Trust and is charged to profit or loss.

Transaction costs of an equity transaction are accounted for as a deduction from unitholders' capital.

(d) Manager's and Trustee's fees

The Manager's and Trustee's fees are recognised on an accrual basis.

6. INVESTMENT PROPERTIES

	2011 RM	2010 RM
At 1 January	163,000,000	161,600,000
Changes in fair value	6,700,000	1,400,000
Acquisition of investment property	25,000,000	-
At 31 December	194,700,000	163,000,000
Included in the above are:		
Land and buildings	194,700,000	163,000,000

6. **INVESTMENT PROPERTIES (continued)**

2011

Description of property	Tenure of land	Location	Existing use	Occupancy rate as at 31 December 2011 %	Date of valuation	Fair value as at 31 December 2011 RM	Acquisition cost as at 31 December 2011 RM	Percentage of fair value over Net Assets Value as at 31 December 2011 %
Atrium Shah Alam 1*	Freehold	Shah Alam	Industrial	100	31.12.2011	64,600,000	57,200,000	47.1
Atrium Shah Alam 2	Freehold	Shah Alam	Industrial	100	31.12.2011	56,000,000	49,100,000	40.8
Atrium Puchong	Freehold	Puchong	Industrial	100	31.12.2011	40,300,000	38,500,000	29.4
Atrium Rawang*	Freehold	Rawang	Industrial	100	31.12.2011	8,600,000	10,000,000	6.3
Atrium USJ**	Freehold	Subang	Industrial	100	31.12.2011	25,200,000	25,000,000	18.4
						194,700,000	179,800,000	

The properties were valued by First Pacific Valuers Property Consultants Sdn. Bhd. and Raine & Horne International Zaki & Partners Sdn. Bhd., independent firms of professional valuers registered with the Board of Valuers, Appraisers & Estates Agents Malaysia, using investment, cost and comparison methods of valuation.

* The properties are charged to a financial institution for banking facilities granted to the Trust.

** The acquisition price of the property was RM25,000,000 whilst the market value based on the valuation carried out on 11 May 2011 was RM25,200,000, resulting in a surplus of RM200,000, which was incorporated into the financial statements of Atrium REIT on 22 December 2011 (Completion date of acquisition).

6. **INVESTMENT PROPERTIES (continued)**

2010

Description of property	Tenure of land	Location	Existing use	Occupancy rate as at 31 December 2010 %	Date of valuation	Fair value as at 31 December 2010 RM	Acquisition cost as at 31 December 2010 RM	Percentage of fair value over Net Assets Value as at 31 December 2010 %
Atrium Shah Alam 1*	Freehold	Shah Alam	Industrial	100	31.12.2010	62,000,000	57,200,000	47.5
Atrium Shah Alam 2	Freehold	Shah Alam	Industrial	100	31.12.2010	54,500,000	49,100,000	41.8
Atrium Puchong	Freehold	Puchong	Industrial	100	31.12.2010	38,500,000	38,500,000	29.5
Atrium Rawang*	Freehold	Rawang	Industrial	100	31.12.2010	8,000,000	10,000,000	6.1
						163,000,000	154,800,000	

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 & Estates Agents Malaysia, using investment, cost and comparison methods of valuation.

* The properties are charged to a financial institution for banking facilities granted to the Trust.

7. TRADE AND OTHER RECEIVABLES

	2011 RM	2010 RM
Trade receivables	384,514	120,000
Other receivables, deposits and prepayments		
Other receivables	643,258	30,384
Deposits	363,320	363,320
Prepayments	97,328	65,550
	1,103,906	459,254
	1,488,420	579,254

(a) The credit terms granted to trade receivables is 30 days (2010: 30 days).

(b) Trade and other receivables are denominated in Ringgit Malaysia (“RM”).

(c) The ageing analysis of trade receivables of the Trust are as follows:

	2011 RM	2010 RM
Neither past due nor impaired	-	-
Past due not impaired		
Less than 30 days	167,704	-
31 to 60 days	96,810	-
61 to 90 days	-	-
91 to 120 days	-	-
121 to 150 days	-	-
More than 151 days	120,000	120,000
	384,514	120,000
Past due and impaired	-	-
	384,514	120,000

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Trust.

None of the trade receivable of the Trust that are neither past due nor impaired have been renegotiated during the financial year.

<u>Receivables that are past due but not impaired</u>

Based on past experience, the Manager believes that no allowance for impairment is necessary in respect of these balances. Trade receivables that are past due but not impaired relates to debtors with good track record with the Trust.

8. DEPOSITS PLACED WITH LICENSED FINANCIAL INSTITUTIONS

The deposits are placed with financial institutions at interest rates ranging from 2.60% to 3.25% (2010: 1.60% to 2.85%) per annum.

Information on financial risks of cash and cash equivalents are disclosed in Note 25 to the financial statements.

The deposits are denominated in Ringgit Malaysia (“RM”).

9. TRADE AND OTHER PAYABLES

	2011 RM	2010 RM
Non-current liabilities		
Tenants' deposits	2,713,839	3,442,602
Current liabilities		
Trade payables	73,721	39,331
Other payables and accrued expenses	4,688,257	1,282,541
Tenants' deposits	1,842,354	3,613,016
	6,604,332	4,934,888
	9,318,171	8,377,490

Included in other payables and accrued expenses are amounts owing to the Manager and the Trustee of RM66,759 (2010: RM78,801) and RM4,434 (2010: RM4,298) respectively, which are unsecured, interest free and payable monthly in arrears.

10. BORROWINGS

	2011 RM	2010 RM
Short Term Financing		
Short Term Revolving Credit ("STRC")	45,000,000	45,000,000
Long Term Financing		
Term Loan ("TL")	20,000,000	-
	65,000,000	45,000,000

(a) The STRC facility is secured by way of a first party legal charge over the investment properties, Atrium Shah Alam 1 and Atrium Rawang. This financing facility is renewable on a yearly basis subject to the bank's review.

The STRC facility bears interest ranging from 3.79% to 4.20% (2010: 3.06% to 3.82%) per annum during the financial year.

(b) Term loan was drawn down during the financial year to part finance the acquisitions of property as disclosed in Note 28 to the financial statements. The term loan bears interest rate at cost of fund plus 0.725% (2010: NIL) per annum and is repayable in one lump sum in October 2018.

The term loans is secured by way of first legal charge on investment property of the Trust amounting to RM25,200,000 (2010: NIL), as disclosed in Note 5 to the financial statements.

Information on financial risks of borrowings and their remaining maturity are disclosed in Note 25 to the financial statements.

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

11. UNITHOLDERS' CAPITAL

	2011		2010	
	Number of units	RM	Number of units	RM
Authorised	121,801,000	119,351,580	121,801,000	119,351,580
Issued and fully paid	121,801,000	119,351,580	121,801,000	119,351,580

12. UNITHOLDINGS OF DIRECTORS AND THEIR RELATED PARTIES

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

2011	Number of unit held	Percentage of total units %	Market value RM
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	322,100	0.26	344,647
Directors of the Manager:			
Wong Sui Ee	308,000	0.25	329,560
Tor Peng Sie	100,000	0.08	107,000
How Hu Son	100,000	0.08	107,000
Soong Kwong Heng	55,000	0.05	58,850
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	20,024,800	16.44	21,426,536
Sparkle Skyline Sdn. Bhd.	9,258,900	7.60	9,907,023
Chan Kam Tuck	15,383,200	12.63	16,460,024
Chan Kum Chong	70,000	0.06	74,900

2010	Number of unit held	Percentage of total units %	Market value RM
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	302,100	0.25	320,226
Directors of the Manager:			
Wong Sui Ee	290,000	0.24	307,400
Tor Peng Sie	100,000	0.08	106,000
How Hu Son	100,000	0.08	106,000
Soong Kwong Heng	55,000	0.05	58,300
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	20,014,800	16.43	21,215,688
Sparkle Skyline Sdn. Bhd.	9,258,900	7.60	9,814,434
Chan Kam Tuck	15,400,200	12.64	16,324,212
Chan Kum Chong	70,000	0.06	74,200

(b) The market value is determined by using the closing market price of the Trust as at 31 December 2011 of RM1.07 (2010: RM1.06).

13. GROSS REVENUE

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

14. PROPERTY OPERATING EXPENSES

	2011 RM	2010 RM
Property management fees	201,240	202,732
Assessment and quit rent	419,521	405,147
Repair and maintenance	528,000	528,000
Insurance	220,905	185,031
	1,369,666	1,320,910

For the financial year ended 31 December 2011, the property management fee of RM201,240 (2010: RM202,732) was paid to the property management company, Azmi & Co. Building Services Sdn. Bhd. in accordance to the Valuers, Appraisers and Estate Agent Act 1981 with permissible discounts.

15. 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 0.6% (2010: 0.6%) per annum of the Net Asset Value.

16. TRUSTEE'S FEES

Pursuant to the Deed, the Trustee is entitled to receive a fee of 0.04% per annum of the NAV of the Trust, subject to a minimum fee of RM40,000 per annum.

17. FINANCE COSTS

	2011 RM	2010 RM
Interest expense on:		
- STRC facility	1,821,887	1,591,814
- Term loan	1,552	-
	1,823,439	1,591,814

18. INCOME TAX EXPENSE

	2011 RM	2010 RM
Current tax expense	-	-

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

	2011 RM	2010 RM
Income before taxation	17,099,160	11,911,829
Income tax using Malaysian tax rate of 25% (2010: 25%)	4,274,790	2,977,957
Non-deductible expenses	75,262	72,284
Effect of changes in fair value of investment properties not subject to tax	(1,675,000)	(350,000)
Effect of income exempted from tax	(2,675,052)	(2,700,241)
Tax expense	-	-

18. INCOME TAX EXPENSE (continued)

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

The Trust distributed approximately 100% (2010: 100%) of the realised and distributable income and thus, its total income for the year is exempted from tax.

19. EARNINGS PER UNIT

(a) The earnings per unit before Manager's fee of 14.68 sen (2010: 10.41 sen) is calculated by dividing the net income after taxation but before deduction of manager's fees for the financial year of RM17,874,463 (2010: RM12,676,203) and by the number of units in circulation during the financial year of 121,801,000 (2010: 121,801,000).

(b) The earnings per unit after Manager's fee of 14.04 sen (2010: 9.78) has been calculated based on net income after taxation of RM17,099,160 (2010: RM11,911,829) for the financial year and on the number of units in circulation during the financial year of 121,801,000 (2010: 121,801,000).

20. DISTRIBUTIONS TO UNITHOLDERS

Distributions to unitholders are from the following sources:

	2011 RM	2010 RM
Net rental income	12,764,569	12,849,239
Interest income	548,554	452,143
Other income	5,873	8,027
	13,318,996	13,309,409
Less: Expenses	(2,919,836)	(2,797,580)
	10,399,160	10,511,829
Less: Income distributed	(7,795,264)	(7,795,264)
Less: Proposed final income distribution	(2,594,361)	(2,679,622)
Balance undistributed income	9,535	36,943

21. PORTFOLIO TURNOVER RATIO

	2011	2010
Portfolio Turnover Ratio ("PTR") (times)	0.19	-

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 2011 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.

22. MANAGEMENT EXPENSE RATIO

	2011	2010
Management expense ratio ("MER")(%)	0.85	0.94

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.

23. TRANSACTIONS WITH BROKERS/DEALERS

There were no transactions made with brokers/dealers during the financial year.

24. 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 financial year ended 31 December 2010.

The Manager manages the capital structure of the Trust and makes adjustments to it, in light of changes in economic conditions. 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 2011 and 31 December 2010.

The Manager will 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.

	2011 RM	2010 RM
Total borrowings	65,000,000	45,000,000
Total assets	211,469,089	183,904,134
Gearing ratio	30.74%	24.47%

(b) Financial instruments

Categories of financial instruments

	Loans and receivables RM
2011	
Financial assets	
Trade and other receivables	1,488,420
Cash and cash equivalents	15,280,669
	16,769,089

24. FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments (continued)

Categories of financial instruments (continued)

	Other financial liabilities RM
2011	
Financial liabilities	
Borrowings	65,000,000
Trade and other payables	9,318,171
	74,318,171

	Loans and receivables RM
2010	
Financial assets	
Trade and other receivables	579,254
Cash and cash equivalents	20,324,880
	20,904,134

	Other financial liabilities RM
Financial liabilities	
Borrowings	45,000,000
Trade and other payables	8,377,490
	53,377,490

(c) Determination of fair value

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, are reasonable approximation of fair value, due to their short-term nature.

(ii) Borrowings and tenants' deposits

The fair value of bank borrowings and tenants' deposits is determined using estimated future cash flows discounted at market related rate for similar instruments at the end of the reporting period.

25. FINANCIAL RISKS MANAGEMENT OBJECTIVE AND POLICIES

The Trust's financial risk management objective 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 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 the reporting period. The Trust does not anticipate the carrying amount of the receivable at the end of the 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 deposit 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 reporting date, the Trust's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 7 to the financial statements.

(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.

Analysis of financial instruments by remaining contractual maturities

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

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2011				
Financial liabilities				
Trade and other payables	6,604,332	2,713,839	-	9,318,171
Borrowings	47,739,570	4,255,000	20,851,000	72,845,570
Total undiscounted financial liabilities	54,343,902	6,968,839	20,851,000	82,163,741

25. FINANCIAL RISKS MANAGEMENT OBJECTIVE AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2010				
Financial liabilities				
Trade and other payables	4,934,888	3,442,602	-	8,377,490
Borrowings	46,714,240	-	-	46,714,240
Total undiscounted financial liabilities	51,649,128	3,442,602	-	55,091,730

(iii) Interest rate risk

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

The Trust's exposure to fluctuation in interest rates relates primarily to 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. Interest rate exposure which arises from borrowing is managed through the use of fixed rate debt with long term tenure.

Sensitivity analysis for interest rate risk

As at 31 December 2011, if interest rates at the date had been 10 basis points lower or higher with all other variables held constant, post-tax profit for the financial year would have been RM37,825 (2010: RM25,215) 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.

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

2011	Note	Weighted average effective interest (per annum)	Within one year RM	Over five year RM	Total RM
Floating rates					
Deposits placed with licensed financial institutions	8	3.10	14,546,371	-	14,546,371
Term Loan ("TL")	10	4.26	-	20,000,000	20,000,000
Short Term Revolving Credit ("STRC")	10	4.01	45,000,000	-	45,000,000

25. FINANCIAL RISKS MANAGEMENT OBJECTIVE AND POLICIES (continued)

(iii) Interest rate risk (continued)

Sensitivity analysis for interest rate risk (continued)

2010	Note	Weighted average effective interest (per annum)	Within one year RM	Over five years RM	Total RM
Floating rates					
Deposits placed with licensed financial institutions	8	2.65	19,803,050	-	19,803,050
Short Term Revolving Credit ("STRC")	10	3.44	45,000,000	-	45,000,000

26. OPERATING SEGMENT

As the principal activity of Atrium REIT is to invest in properties currently, 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.

27. OPERATING LEASES

Leases whereby Atrium REIT is the Lessor

Atrium REIT leases out its investment properties under operating leases. The future minimum lease payments under non-cancellable leases are as follows:

	2011 RM	2010 RM
Not later than one year	12,128,052	13,864,772
Later than one year and not later than five years	11,801,961	20,069,729
	23,930,013	33,934,501

28. SIGNIFICANT EVENT DURING THE YEAR

On 22 December 2011, the Trust has acquired a freehold land and building for cash consideration of RM25,000,000 from a third party. This freehold land and building has been capitalised as investment property during the financial year.

29. COMPARATIVE FIGURES

(a) The following comparative figures have been restated pursuant to FRS 110 *Events After the Reporting Period:*

	As previously reported RM	As restated RM
Statement of financial position		
Current liabilities		
Provision for income distribution	2,679,622	-
Unitholders' funds		
Distributable income	8,495,442	11,175,064

29. COMPARATIVE FIGURES (continued)

(a) The following comparative figures have been restated pursuant to FRS 110 *Events After the Reporting Period:* (continued)

	As previously reported RM	As restated RM
Statement of changes in net asset value		
Distributable income as at 1 January 2010:		
- Realised	258,499	3,059,922
- Unrealised	6,800,000	6,800,000
Unitholders' transactions		
Distributions to unitholders		
- 2010 final	(2,679,622)	-
- 2009 final	-	(2,801,423)

(b) The following comparative figures have been reclassified to conform with current year's presentation:

	As previously reported RM	As restated RM
Statement of financial position		
Non-current liabilities		
Trade and other payables	-	3,442,602
Current liabilities		
Trade and other payables	8,377,490	4,934,888

30. SUPPLEMENTARY INFORMATION ON REALISED AND UNREALISED PROFITS OR LOSSES

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

	2011 RM	2010 RM
Total distributable income of the Trust		
- Realised	2,899,338	2,975,064
- Unrealised	14,900,000	8,200,000
	17,799,338	11,175,064

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 profits or losses 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.

Size of holdings	No. of Unitholders	No. of Units	%
1 - 99	5	105	0.00
100 - 1,000	442	370,295	0.31
1,001 - 10,000	1,100	5,934,900	4.87
10,001 - 100,000	588	19,820,200	16.27
100,001 to less than 5% of approved fund size	120	61,192,300	50.24
5% and above of approved fund size	2	34,483,200	28.31
Total :	**2,257**	**121,801,000**	**100.00**

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 DECEMBER 2011

	Name	No. of units	%
1)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLORY BLITZ INDUSTRIES SDN BHD (TCS)	19,100,000	15.68
2)	CHAN KAM TUCK	15,383,200	12.63
3)	MAYBAN SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SPARKLE SKYLINE SDN BHD (DLR 060-MARGIN)	5,379,000	4.42
4)	KURNIA INSURANS (MALAYSIA) BERHAD	5,000,000	4.11
5)	SOH KAM ENG	4,995,000	4.10
6)	SPARKLE SKYLINE SDN BHD	3,879,900	3.19
7)	SENTINEL PORTFOLIO SDN. BHD	3,000,000	2.46
8)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS ZURICH INSURANCE BERHAD (LIFE PAR FD)	1,690,000	1.39
9)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS ZURICH INSURANCE BERHAD (GEN FD)	1,126,500	0.92
10)	CHRISTINA CHONG YOKE LENG	1,121,000	0.92
11)	WIBANAS SDN. BHD.	1,050,000	0.86
12)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD MCIS ZURICH INSURANCE BERHAD (ANN FD)	1,036,800	0.85
13)	STEPHEN EDWARD BLACKBURN	1,000,000	0.82
14)	DETIK LEGASI SDN. BHD.	950,000	0.78
15)	BEVERLY TOWER DEVELOPMENT SDN BHD	940,000	0.77

THIRTY (30) LARGEST UNITHOLDERS AS AT 31 DECEMBER 2011 (continued)

	Name	No. of units	%
16)	AMSEC NOMINEES (TEMPATAN) SDN BHD ENG GUAN CHAN SDN BERHAD (9613-1101)	900,000	0.74
17)	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL PROGRESS FUND (4082)	880,000	0.72
18)	GOH MENG KEONG	869,700	0.71
19)	GLORY BLITZ INDUSTRIES SDN BHD	841,800	0.69
20)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE SENG HOOI @ LEE HOI (E-SS2)	750,000	0.62
21)	REALCO SDN BHD	722,300	0.59
22)	LIM BAH KAW	676,000	0.56
23)	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR MAAKL DIVIDEND FUND (5311-401)	606,000	0.50
24)	LEONG AH MENG @ LEONG MEE	600,500	0.49
25)	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR PRUDENTIAL EQUITY INCOME FUND	590,000	0.48
26)	LAW YOCK HUAT	531,200	0.44
27)	REALCO SDN BHD	517,300	0.42
28)	GUAN BOON KUAN	500,000	0.41
29)	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR RAMPAT DEDIKASI SDN BHD	500,000	0.41
30)	OSK NOMINEES (TEMPATAN) SDN BERHAD OSK TRUSTEES BERHAD FOR THE DIVINE VISION TURST	500,000	0.41
		75,636,200	62.09

LIST OF SUBSTANTIAL UNITHOLDERS (5% AND ABOVE) AS PER REGISTER OF SUBSTANTIAL UNIT HOLDERS AS AT 31 DECEMBER 2011

	Name	No. of units	%
1)	GLORY BLITZ INDUSTRIES SDN BHD	20,024,800	16.44
2)	CHAN KAM TUCK	15,383,200	12.63
3)	SPARKLE SKYLINE SDN BHD	9,258,900	7.60
		44,666,900	36.67