

**ATRIUM REAL ESTATE INVESTMENT TRUST**

**SUMMARY OF KEY FINANCIAL INFORMATION**

30/06/2008

	INDIVIDUAL PERIOD		CUMULATIVE PERIOD	
	CURRENT YEAR	PRECEDING YEAR	CURRENT YEAR	PRECEDING YEAR
	QUARTER	CORRESPONDING QUARTER	TO DATE	CORRESPONDING PERIOD
	30/06/2008	30/06/2007	30/06/2008	30/06/2007
	RM'000	RM'000	RM'000	RM'000
1 Revenue	3,423	3,316	6,846	3,316
2 Profit/(loss) before tax	2,593	2,517	5,203	2,517
3 Profit/(loss) after tax and minority interest	2,593	2,517	5,203	2,517
4 Net profit/(loss) for the period	2,593	2,517	5,203	2,517
5 Basic earnings/(loss) per share (sen)	2.13	2.07	4.27	2.07
6 Dividend per share (sen)	2.10	2.00	4.15	2.00
			AS AT END OF CURRENT QUARTER	AS AT PRECEDING FINANCIAL YEAR END
7 Net assets per share (RM)			1.0025	1.0033

**ATRIUM REAL ESTATE INVESTMENT TRUST****INTERIM FINANCIAL REPORT****Interim financial report on result for the financial quarter ended 30 June 2008**

The figures have not been audited.

**CONDENSED INCOME STATEMENTS**

	CURRENT QUARTER 01/04/2008 TO 30/06/2008 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/06/2007 RM'000	CURRENT YEAR TO DATE 30/06/2008 RM'000	PRECEDING YEAR TO DATE 30/06/2007 RM'000
GROSS RECEIPTS	3,423	3,316	6,846	3,316
PROPERTY OPERATING EXPENSES	(247)	(205)	(469)	(205)
NET PROPERTY INCOME	3,176	3,111	6,376	3,111
OTHER INCOME	122	183	259	183
TRUST EXPENSES	(261)	(355)	(543)	(355)
FINANCE COSTS	(445)	(422)	(889)	(422)
INCOME BEFORE TAXATION	2,593	2,517	5,203	2,517
TAXATION	0	0	0	0
DISTRIBUTABLE INCOME	2,593	2,517	5,203	2,517
PROVISION FOR INCOME DISTRIBUTION	(2,558)	(2,436)	(5,055)	(2,436)
NET INCOME RETAINED	35	81	148	81
EARNINGS PER UNIT (SEN)	2.13	2.07	4.27	2.07
GROSS DISTRIBUTION PER UNIT (SEN)	2.10	2.00	4.15	2.00

The Condensed Income Statement should be read in conjunction with the Audited Financial Statements for the period ended 31st December 2007 and the accompanying explanatory notes. The comparative financial information for corresponding period represents result for the period from 2nd April 2007 (listing date) to 30 June 2007

# ATRIUM REAL ESTATE INVESTMENT TRUST

## INTERIM FINANCIAL REPORT

### CONDENSED BALANCE SHEET

	AS AT 30/06/2008 (Unaudited) RM'000	AS AT 31/12/2007 (Audited) RM'000
<b>ASSETS</b>		
Investment Properties	154,800	154,800
Other receivables	1,821	1,660
Deposits with licensed financial institution	16,668	16,565
Bank balance	19	373
<b>TOTAL ASSETS</b>	<u>173,308</u>	<u>173,397</u>
<b>LIABILITIES</b>		
Trade payables	38	17
Other payables	7,468	7,483
Short term loan	43,700	43,700
Provision for income distribution	2,558	2,801
<b>TOTAL LIABILITIES</b>	<u>53,764</u>	<u>54,001</u>
<b>NET ASSET VALUE</b>	<u>119,544</u>	<u>119,396</u>
<b>UNITHOLDERS' FUNDS</b>		
Unitholders' capital	121,801	121,801
Listing expenses	(2,449)	(2,449)
Retained income	193	44
<b>TOTAL UNITHOLDERS' FUNDS</b>	<u>119,544</u>	<u>119,396</u>
Net asset value per unit (RM)		
- before proposed distribution	1.0025	1.0033
- after proposed distribution	0.9815	0.9803

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Statements for the period ended 31st December 2007 and the accompanying explanatory notes.

**ATRIUM REAL ESTATE INVESTMENT TRUST**

**INTERIM FINANCIAL REPORT**

**CONDENSED CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2008**

	<b>For the quarter ended 30/06/2008 RM'000</b>	<b>For the quarter ended 30/06/2007 RM'000</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	2,593	2,517
Adjustments for:		
Interest income	(122)	(183)
Interest expense	445	422
Operating profit before changes in working capital	2,915	2,756
Decrease/(Increase) in receivables	11,171	(484)
(Decrease)/Increase in payables	73	7,885
<b>Cash generated from operating activities</b>	14,159	10,157
Tax paid	0	0
<b>Net cash generated from operating activities</b>	14,159	10,157
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of asset	0	(155,053)
Interest income	122	183
<b>Net cash generated from investing activities</b>	122	(154,870)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Unitholders' capital	0	121,801
Interest paid	(445)	(422)
Listing expenses	0	(2,450)
Borrowings	0	43,700
Distribution to Unitholders	(2,497)	0
<b>Net cash used in financing activities</b>	(2,941)	162,629
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	11,339	17,916
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD</b>	5,348	0
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD (a)</b>	16,687	17,916
Note (a)	30/06/2008	30/06/2007
Cash and cash equivalents	RM'000	RM'000
Unit trust in bonds	0	8,092
Bank balance	19	114
Deposits with licensed financial institution	16,668	9,710
Cash and cash equivalent at end of the period	16,687	17,916

The Condensed Cashflow Statement should be read in conjunction with the Audited Financial Statements for the period ended 31st December 2007 and the accompanying explanatory notes. The comparative financial information for corresponding period represents result for the period from 2nd April 2007 (listing date) to 30 June 2007

**ATRIUM REAL ESTATE INVESTMENT TRUST****INTERIM FINANCIAL REPORT****CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE PERIOD ENDED 30 JUNE 2008**

	<b>Unitholders' capital RM'000</b>	<b>---Distributable--- Undistributed Income - realised RM'000</b>	<b>Total RM'000</b>
<b>1 January 2008 to 30 June 2008</b>			
<b>At 1 January 2008</b>	119,352	44	119,396
<b>Operations for the period from -1 January 2008 to 30 June 2008</b>			
Net income for the period	0	5,203	5,203
Increase in net assets resulting from operations	0	5,203	5,203
<b>Unitholders' transactions</b>			
Distribution to unitholders			
- Provision	0	(2,558)	(2,558)
- Paid	0	(2,497)	(2,497)
Decrease in net asset resulting from unitholders' transaction	0	(5,055)	(5,055)
<b>At 30 June 2008</b>	119,352	193	119,544

**ATRIUM REAL ESTATE INVESTMENT TRUST****INTERIM FINANCIAL REPORT****CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE  
FOR THE PERIOD ENDED 30 JUNE 2007**

	<b>Unitholders' capital RM'000</b>	<b>---Distributable--- Undistributed Income - realised RM'000</b>	<b>Total RM'000</b>
<b>2 April 2007 to 30 June 2007</b>			
<b>At 2 April 2007</b>	1	0	1
<b>Operations for the period from -2 April 2007 to 30 June 2007</b>			
Net income for the period	0	2,517	2,517
Increase in net assets resulting from operations	0	2,517	2,517
<b>Unitholders' transactions</b>			
Creation of units	121,800	0	121,800
Establishment and issue expenses	(2,450)	0	(2,450)
Distribution to unitholders			
- Provision	0	(2,436)	(2,436)
- Paid	0	0	0
Decrease in net asset resulting from unitholders' transaction	119,350	(2,436)	116,914
<b>At 30 June 2007</b>	119,351	81	119,432

# **ATRIUM REAL ESTATE INVESTMENT TRUST**

Unaudited Quarterly Financial Results for the Quarter ended 30 June 2008

## **NOTES TO THE QUARTERLY REPORT**

### **A1. Basis Of Preparation**

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting and Chapter 9 Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of Atrium Real Estate Investment Trust ("Atrium REIT") for the year ended 31 December 2007.

### **A2. Audit Report Of Preceding Financial Year Ended 31 December 2007**

The Auditors Report on the financial statements of the preceding financial year was not qualified.

### **A3. Seasonality Or Cyclicity Of Operations**

The business operations of Atrium REIT are not materially affected by any seasonal or cyclical factor.

### **A.4 Exceptional Or Unusual Items**

There were no unusual items to be disclosed for the quarter under review.

### **A.5 Changes In Estimates Of Amounts Reported**

This is not applicable as no estimates were previously reported.

### **A.6 Changes In Debt And Equity Securities**

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter. The outstanding debt is disclosed in Note B9.

### **A.7 Income Distribution**

Based on the second quarter result ended 30 June 2008, there will be an interim distribution of 2.10 sen per unit, amounting to RM2,557,821 to be made on the 29 August 2008.

### **A.8 Segment Reporting**

No segment information is prepared as Atrium REIT's activities are predominantly in one industry segment and occur predominantly in Malaysia.

## A.9 Valuation Of Property, Plant & Equipment

The valuations of property, plant and equipment have been brought forward without any amendments from the valuation report dated 29 January 2007.

## A10. Material Events

There is no material event subsequent to the end of the interim period.

## A11. Changes In The Composition Of Atrium Reit

There is no change in composition of Atrium REIT for the current financial quarter.

## A12. Changes In Contingent Liabilities

There is no contingent liability to be disclosed.

## B. ADDITIONAL INFORMATION PURSUANT TO PARAGRAPH 9.22 OF BURSA MALAYSIA LISTING REQUIREMENTS.

### B1. Review Of Performance

For the quarter ended 30 June 2008, Atrium REIT recorded total revenue of RM3,544,792 including interest income of RM122,004. Total expenditure for the quarter under review was RM952,170 of which RM247,133 is attributable to property expenses and RM705,037 to non property expenses. For the quarter under review, profit after taxation and available for distribution amounted to RM2,592,622.

### B2. Comparison with Preceding Quarter

	Current Quarter 01.04.08 to 30.06.08 RM'000	Preceding Quarter 01.01.08 to 31.03.08 RM'000
Gross revenue	<u>3,423</u>	<u>3,423</u>
Net Profit before taxation	2,593	2,610
Taxation	0	0
Net Profit after taxation	<u>2,593</u>	<u>2,610</u>

### B3. Prospects

Atrium REIT, after considering the strength of its existing industrial real estate portfolio which is 100% leased to multi-national corporations and its growth strategy to actively pursue quality acquisitions, is confident in achieving the expected performance for financial year ending 31 December 2008 as disclosed in the prospectus dated 28 February 2007.



#### **B.4 Profit Forecast Variances**

In the Prospectus dated 28 February 2007, Atrium REIT projected gross revenue of RM13.75 million and profit before taxation of RM10.10 million for the financial year ending 31 December 2008. As at the date of current review, Atrium REIT's profit before taxation (accumulated) amounts to RM5.20 million for the period from 1 January 2008 to 30 June 2008. The results for the current quarter under review are in line with the forecast disclosed in the Prospectus.

#### **B.5 Taxation**

Pursuant to the present tax system for Real Estate Investment Trust ("REIT"), a REIT will be fully exempted from income tax provided at least 90% of its income is distributed to unitholders with effect from the year of assessment 2007.

#### **B.6 Sales of Unquoted Investment and /or Properties**

There was no sale of unquoted investment or properties during the current financial quarter.

#### **B.7 Quoted Investment**

There was no sale of quoted investment or properties during the current financial quarter.

#### **B.8 Corporate Development**

There was no corporate proposal announced during the current financial quarter.

#### **B.9 Borrowings and Debt Securities**

The borrowing of RM43.7 million is a short term revolving credit with 5 years maturity and secured.

The interest rate charged per annum is 0.3% above cost of fund. The present interest payable is 4.08% p.a.

The financial institution took a first legal charge over two investment properties valued at RM67.2 million as their securities. This financing facility has a maturity of 5 years from the date of first drawdown and will be repaid in full via a bullet repayment at maturity or renew for a further 5 years.

#### **B10. Off Balance Sheet Financial Instruments**

No off balance sheet financial instruments were utilised for the current financial quarter

#### **B11. Material litigation**

There was no material litigation as at the end of current financial quarter.

## B12.Income distribution

The Board of Atrium Reit Managers Sdn Bhd has declared an interim income distribution of 2.10 sen of the profit after taxation (realised) for the quarter ended 30 June 2008, to be paid on 29 August 2008 to the unitholders registered in the Record of Depositors on 7 August 2008.

Withholding tax will be deducted for distribution made to the following types of unitholders :

- Resident individual (withholding tax at 15%)
- Non Resident individual (withholding tax at 15%)
- Resident institutional investors (withholding tax at 15%)
- Non-resident institutional investors (withholding tax at 20%)
- Resident companies (No withholding tax. Subject to corporate tax at prevailing rate of 26%)
- Non-resident companies (withholding tax at 26% for Year of Assessment 2008)

## B13.Distribution Per Unit

The distribution per unit of the Trust has been computed by dividing the provision for income distribution for the current financial quarter by the total number of units in issue during the current financial quarter.

	Current Quarter 01.04.08 to 30.06.08	Preceding Quarter 01.01.08 to 31.03.08
Provision for income distribution (RM)	<u>2,557,821</u>	<u>2,496,920</u>
Number of units in issue (units)	<u>121,801,000</u>	<u>121,801,000</u>
Distribution per unit (sen)	<u>2.10</u>	<u>2.05</u>

By Order of the Board  
Ho Hea Ming  
Secretary  
Atrium Reit Managers Sdn Bhd  
Company No: 710526-V  
(As the Manager of Atrium Real Estate Investment Trust)  
Kuala Lumpur  
Dated: 21 July 2008