

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 30.09.2011 RM	(Audited) As at 31.12.2010 RM
ASSETS		
Non-current assets		
Investment properties	163,000,000	163,000,000
Current assets		
Trade and other receivables	3,264,991	579,254
Deposits with licensed financial institution	15,477,248	19,803,050
Bank balance	1,898,882	521,830
	20,641,121	20,904,134
TOTAL ASSETS	<u>183,641,121</u>	<u>183,904,134</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,194,264	8,377,490
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,557,821	2,679,622
TOTAL LIABILITIES	<u>55,752,085</u>	<u>56,057,112</u>
NET ASSET VALUE ("NAV")	<u>127,889,036</u>	<u>127,847,022</u>
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	119,351,580	119,351,580
Undistributed income		
- realised	337,456	295,442
- unrealised	8,200,000	8,200,000
TOTAL UNITHOLDERS' FUND	<u>127,889,036</u>	<u>127,847,022</u>
NUMBERS OF UNITS IN CIRCULATION (UNITS)	<u>121,801,000</u>	<u>121,801,000</u>
NAV PER UNIT (RM)		
- before proposed distribution	1.0710	1.0716
- after proposed distribution	<u>1.0500</u>	<u>1.0496</u>

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

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2011 RM	Preceding Year Corresponding Quarter 30.09.2010 RM	Current Year to Date 30.09.2011 RM	Preceding Year to Date 30.09.2010 RM
Gross revenue	3,519,585	3,568,543	10,558,754	10,657,091
Property expenses	(341,390)	(341,652)	(1,021,146)	(979,213)
Net Property Income	3,178,195	3,226,891	9,537,608	9,677,878
Interest income	136,071	123,488	423,233	312,530
Miscellaneous income	-	-	5,873	-
Total Income	3,314,266	3,350,379	9,966,714	9,990,408
Trust Expenses				
Manager's fees	(196,074)	(192,637)	(579,268)	(571,668)
Trustee's fees	(13,071)	(12,842)	(38,618)	(38,111)
Auditors' fees	(4,500)	(4,500)	(13,500)	(12,750)
Tax agent's fees	(1,540)	(1,600)	(3,790)	(7,140)
Borrowing cost	(470,157)	(426,603)	(1,347,918)	(1,158,705)
Valuation fees	-	-	(15,000)	(28,000)
Administrative expenses	(21,448)	(9,487)	(91,124)	(61,446)
Others	(40,218)	-	(40,218)	(224,390)
Total Expenses	(747,008)	(647,669)	(2,129,436)	(2,102,210)
Income Before Taxation	2,567,258	2,702,710	7,837,278	7,888,198
Taxation	-	-	-	-
Net Income/Total Comprehensive Income	2,567,258	2,702,710	7,837,278	7,888,198
Provision for income distribution	(2,557,821)	(2,618,721)	(7,795,264)	(7,795,263)
Net Income Retained	9,437	83,989	42,014	92,935
Earnings Per Unit (Sen)				
- after manager's fees	2.11	2.22	6.43	6.48
- before manager's fees	2.27	2.38	6.91	6.95
Distribution Per Unit (Sen)				
- interim	2.10	2.15	6.40	6.40
- final	-	-	-	-
Net Income For The Financial Period Is Made Up As Follows:				
-Realised	2,567,258	2,702,710	7,837,278	7,888,198
-Unrealised	-	-	-	-

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

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)
For The Period from 01.01.2011 to 30.09.2011

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2011	119,351,580	295,442	8,200,000	127,847,022
Operations for the period from - 1 January 2011 to 30 September 2011				
Net income for the period	-	7,837,278	-	7,837,278
Increase in net assets resulting from operations	-	7,837,278	-	7,837,278
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(5,237,443)	-	(5,237,443)
- provision	-	(2,557,821)	-	(2,557,821)
Decrease in net assets resulting from unitholders' transactions	-	(7,795,264)	-	(7,795,264)
Net assets as at 30 September 2011	119,351,580	337,456	8,200,000	127,889,036

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)
For The Period from 01.01.2010 to 30.09.2010

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2010	119,351,580	258,499	6,800,000	126,410,079
Operations for the period from - 1 January 2010 to 30 September 2010				
Net income for the period	-	7,888,198	-	7,888,198
Increase in net assets resulting from operations	-	7,888,198	-	7,888,198
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(5,176,542)	-	(5,176,542)
- provision	-	(2,618,721)	-	(2,618,721)
Decrease in net assets resulting from unitholders' transactions	-	(7,795,263)	-	(7,795,263)
Net assets as at 30 September 2010	119,351,580	351,434	6,800,000	126,503,014

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 31 December 2010 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOW (UNAUDITED)
For The Period from 01.01.2011 to 30.09.2011

	Current Year to Date 30.09.2011 RM	Preceding Year to Date 30.09.2010 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	7,837,278	7,888,198
Adjustments for:		
Interest income	(423,233)	(312,530)
Interest expense	1,347,918	1,158,705
Operating income before working capital changes	8,761,963	8,734,373
Increase in trade and other receivables	(2,685,737)	(216,016)
Increase/(Decrease) in trade and other payables	(183,226)	(39,571)
Cash generated from operating activities	5,893,000	8,478,786
Tax paid	-	-
Net cash generated from operating activities	5,893,000	8,478,786
<u>Cash Flow From Investing Activities</u>		
Interest income	423,233	312,530
Net cash generated from investing activities	423,233	312,530
<u>Cash Flow Form Financing Activities</u>		
Interest paid	(1,347,918)	(1,158,705)
Distribution to unitholders	(7,917,065)	(7,977,965)
Net cash used in financing activities	(9,264,983)	(9,136,670)
Net Decrease In Cash And Cash Equivalents	(2,948,750)	(345,354)
Cash And Cash Equivalents At The Beginning Of the Period	20,324,880	20,124,908
Cash And Cash Equivalents At The End Of the Period	17,376,130	19,779,554
<u>Cash and cash equivalents</u>		
Cash and bank balances	1,898,882	447,398
Deposits with licensed financial institution	15,477,248	19,332,156
	<u>17,376,130</u>	<u>19,779,554</u>

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

ATRIUM REAL ESTATE INVESTMENT TRUST
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
For The Quarter Ended 30 September 2011

Disclosure requirements as per Financial Reporting Standards (“FRS”) 134

A1. Basis of Preparation

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Financial Reporting Standard (FRS) 134: Interim Financial Reporting and paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of the Atrium Real Estate Investment Trust (“Atrium REIT”) for the year ended 31 December 2010.

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

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

A3. Seasonality or Cyclicity of Operations

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

A4. Exceptional or Unusual Items

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

A5. Changes in Estimates of Amounts Reported

This is not applicable as no estimates were previously reported.

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of debts and equity securities during the current financial quarter. The outstanding debt is disclosed in Note B13.

A7. Income Distribution

During the quarter under review, the Atrium REIT paid an interim income distribution of 2.15 sen per unit, amounting to RM 2,618,721, in respect of the quarter ended 30 June 2011 on 26

August 2011. Based on the third quarter's result ended 30 September 2011, there will be an interim distribution of 2.10 sen per unit, amounting to RM 2,557,821 payable on 30 November 2011.

A8. Segment Reporting

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

A9. Valuation of Property, Plant & Equipment

The investment properties are valued based on valuations performed by independent registered valuers. The valuations of land and buildings have been brought forward without amendment from the audited financial statements for the year ended 31 December 2010.

A10. Material Events

There was no material event subsequent to the end of the current financial quarter.

A11. Changes In The Composition Of Atrium REIT

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

A12. Changes In Contingent Liabilities

There is no contingent liability to be disclosed.

Additional disclosure requirement as per paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad

B1. Manager's Investment Objectives

The Manager's investment objectives are to maximise profits in order to reward unitholders with a stable distribution of income and to acquire quality assets to achieve long term growth in the Net Asset Value ("NAV") per unit. The Manager has achieved its objective of rewarding unitholders with stable and attractive return through consistent distribution of income since the listing of the Atrium REIT on 2 April 2007. There was no change in the investment objectives of the Atrium REIT as at the date of this report.

B2. Strategies and Policies

There was no change in strategies and policies employed since the preceding financial year.

B3. Review of Performance

	Current Quarter As at 30 September 2011	Preceding Quarter As at 30 June 2011
Net asset value (RM)	127,889,036	127,879,600
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0500	1.0499
Market price per unit (RM)	1.04	1.09
Highest traded price per unit during the quarter (RM)	1.12	1.10
Lowest traded price per unit during the quarter (RM)	1.02	1.03

Quarterly Results

For the quarter ended 30 September 2011, the Atrium REIT recorded Total Income of RM 3,314,266 which is slightly lower than the last corresponding quarter of RM 3,350,379. Net Income for the quarter of RM 2,567,258 represents a decrease of 5.01% compared to RM 2,702,710 achieved in the last corresponding quarter.

The decrease in Net Income is due mainly to the increase in the borrowing costs, administrative expenses, other expenses incurred in the proposed acquisition of the Ascendas Logistics Hub property and a decrease in Gross Revenue even though the Trust recorded a slightly higher interest income.

B4. Comparison with Preceding Quarter

	Current Quarter 01.07.2011 To 30.09.2011 RM	Preceding Quarter 01.04.2011 To 30.06.2011 RM
Gross revenue	3,519,585	3,519,585
Property expenses	<u>(341,390)</u>	<u>(340,480)</u>
Net property income	3,178,195	3,179,105
Interest income	136,071	145,548
Miscellaneous income	-	-
Total income	<u>3,314,266</u>	<u>3,324,653</u>
Trust expenses	(276,851)	(268,822)
Borrowing cost	<u>(470,157)</u>	<u>(447,267)</u>
Income before Taxation	2,567,258	2,608,564
Taxation	0	0
Net income	<u>2,567,258</u>	<u>2,608,564</u>

The Atrium REIT's Income before Taxation for the current quarter under review decreased as compared to the preceding quarter due mainly to the increase in Trust expenses and borrowing costs.

B5. Maintenance Costs and Major Capital Expenditure

Atrium Shah Alam 2

Since the remedial works carried out in 2009 on the warehouse floor slab, 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 the Atrium REIT during the quarter under review.

B6. Prospects

Atrium Rawang

Unilever Foods (Malaysia) Sdn Bhd ("Unilever") has agreed to extend their tenancy for another 2 years. Both parties are now in the midst of finalizing the new tenancy agreement for execution.

Ascendas Logistics Hub (the "Property")

BHLB Trustee Berhad ("BHLB"), the Trustee for Atrium REIT entered into a Sale and Purchase Agreement with Gemini Zone Sdn Bhd ("Vendor") on 21 July 2011 ("SPA") for the acquisition of the Property on an "as is where is" basis, free from encumbrances and subject to the terms and conditions as stipulated in the SPA for a cash consideration of RM25,000,000.00 ("Proposed Acquisition").

The conditions precedent as contained in the SPA were fulfilled on 25 August, 2011 ("Unconditional Date"). In accordance to the SPA, the Trust will be given 3 months from the Unconditional Date ("Completion Period") to complete the Proposed Acquisition, with 1 month automatic extension of time, subject to late payment interest of 8% p.a. The Proposed Acquisition is expected to be completed by the end of the 4th Quarter of 2011.

For 2011, the Manager expects all the properties of the Atrium REIT to maintain its 100% occupancy rates. The 100% occupancy rates of the properties are due to their strong tenants, competitive rental rates, strategic locations and excellent facilities.

The Manager will continue to actively identify good assets for new acquisition to improve the yield and to continue focusing on the strategy of having the investment properties leased long-term to reputable tenants.

B7. Portfolio Composition

There was no change to the total numbers of properties held by the Atrium REIT since the last reporting period.

B8. Utilisation of Proceeds Raised from Issuance of New Units

This is not applicable as there are no proceeds raised from any issuance of new units during the current financial quarter.

B9. Corporate Development

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

B10. Material Litigation

There was no material litigation as at the latest practicable date from the date of this report.

B11. Soft Commission

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

B12. Investment Properties

Investments in Real Estates

Description of property	Tenure of land	Existing use	Occupancy rate as at 30.09.2011 %	Date of valuation	Acquisition cost RM'000	Latest valuation (A) RM'000	Percentage of (A) over Net Assets Value %
Atrium Shah Alam 1	Freehold	Industrial	100	31.12.2010	57,200	62,000	48.5
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2010	49,100	54,500	42.6
Atrium Puchong	Freehold	Industrial	100	31.12.2010	38,500	38,500	30.1
Atrium Rawang	Freehold	Industrial	100	31.12.2010	10,000	8,000	6.3
					154,800	163,000	

B13. Borrowings and Debt Securities

	As at 30 September 2011 RM	As at 30 June 2011 RM
Short Term Revolving Credit (“STRC”) - secured	45,000,000	45,000,000

The interest rates for the STRC facility ranged from 4.00% to 4.17% per annum for the quarter under review. The financial institution took a first legal charge over two investment properties valued at RM70.0 million as their securities. This financing facility has a maturity of 5 years from the date of first drawdown and will be repaid in full via a bullet repayment at maturity or renew for a further 5 years.

B14. Unitholdings of Directors and their Related Parties

As at 30.09.2011	Number of units held	Percentage of total units %	Market value RM
Direct unit holdings in Atrium REIT			
Atrium REIT Managers Sdn Bhd	322,100	0.26	334,984
Directors of the Manager:			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	308,000	0.25	320,320
Tor Peng Sie	100,000	0.08	104,000
How Hu Son	100,000	0.08	104,000
Soong Kwong Heng	55,000	0.05	57,200
Related parties of the Manager:			
Glory Blitz Industries Sdn Bhd	20,024,800	16.44	20,825,792
Sparkle Skyline Sdn Bhd	9,258,900	7.60	9,629,256
Chan Kam Tuck	15,391,700	12.64	16,007,368
Chan Kum Chong	70,000	0.06	72,800

The market value is determined by multiplying the number of units with the closing market price of RM1.04 per unit.

B15. Taxation

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2011, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006. Thus, the Atrium REIT should not incur any tax expenses for the financial year and has not provided any tax expense for this current financial quarter.

Reconciliation between applicable income tax expense and effective income tax expense of the Atrium REIT is as follows:

	01.07.2011 To 30.09.2011 RM	01.01.2011 To 30.09.2011 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	2,567,258	7,837,278
Income tax using Malaysian tax rate of 25%	641,815	1,959,320
Effect of income exempted from tax	(641,815)	(1,959,320)
Tax expense	-	-

B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	01.01.2011 to 30.09.2011 RM	01.01.2010 to 30.09.2010 RM
Net property income	9,537,608	9,677,878
Interest income	423,233	312,530
Miscellaneous income	5,873	-
	9,966,714	9,990,408
Less: Expenses	(2,129,436)	(2,102,210)
Net income	7,837,278	7,888,198
Undistributed income		
- Realised	(42,014)	(92,934)
- Unrealised	-	-
Total income distribution	7,795,264	7,795,264
Distribution per unit (sen)		
- First Interim distribution paid on 31 May 2011 (2010: paid on 27 May 2010)	2.15	2.10
- Second Interim distribution paid on 26 August 2011(2010: paid on 27 August 2010)	2.15	2.15
- Third Interim distribution payable on 30 November 2011 (2010: paid on 30 November 2010)	2.10	2.15

For the financial quarter ended 30 September 2011, the Board of Directors of the Manager has declared an interim income distribution of 2.10 sen per unit to be paid on 30 November 2011 to the unitholders registered in the Record of Depositors on 14 November 2011.

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

- Resident individual (withholding tax at 10%)
- Non Resident individual (withholding tax at 10%)
- Resident institutional investors (withholding tax at 10%)
- Non-resident institutional investors (withholding tax at 10%)
- Resident companies (No withholding tax. Subject to corporate tax at prevailing rate)
- Non-resident companies (withholding tax at 25% for Year of Assessment 2011)

B17. Responsibility Statement

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with FRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of the Atrium REIT as at 30 September 2011 and of its financial performance and cash flows for the quarter/ period ended on that date and duly authorized for release by the Board of the Manager on 27 October 2011.