

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET

	(Unaudited) As at 30.09.2009 RM'000	(Audited) As at 31.12.2008 RM'000
<u>Assets</u>		
Investment Properties	161,600	161,600
Other Receivables	1,364	608
Deposits with licensed financial institution	19,617	17,750
Bank balance	597	2,165
Total Assets	183,178	182,123
<u>Liabilities</u>		
Trade Payables	8	33
Other payables	8,980	8,194
Borrowings	45,000	45,000
Provision for income distribution	2,680	2,619
Total Liabilities	56,668	55,846
Net Asset Value	126,510	126,277
Financed by:		
Unitholders' Fund		
Unitholders' capital	119,352	119,352
Undistributed income		
- realised	358	125
- unrealised	6,800	6,800
Total Unitholders' Fund	126,510	126,277
Numbers of units in circulation ('000)	121,801	121,801
Net asset value per unit (RM)		
- before proposed distribution	1.0607	1.0582
- after proposed distribution	1.0387	1.0367

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED INCOME STATEMENTS (UNAUDITED)

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 30.09.2009 RM'000	Preceding Year Corresponding Quarter 30.09.2008 RM'000	Current Year to Date 30.09.2009 RM'000	Preceding Year to Date 30.09.2008 RM'000
Gross revenue	3,539	3,423	9,444	10,268
Property expenses	(285)	(268)	(2,182)	(737)
NET PROPERTY INCOME	3,254	3,155	7,262	9,531
Interest income	97	194	310	453
TOTAL INCOME	3,351	3,349	7,572	9,984
TRUST EXPENSES				
Manager's fees	(194)	(153)	(552)	(454)
Trustee's fees	(13)	(12)	(38)	(36)
Auditors' fees	(4)	(3)	(11)	(9)
Tax agent's fees	(1)	(1)	(3)	(4)
Borrowing cost	(313)	(481)	(1,003)	(1,370)
Valuation fees	-	-	-	-
Administrative expenses	(9)	(22)	(68)	(113)
Others	-	-	-	(118)
	(534)	(672)	(1,675)	(2,104)
INCOME BEFORE TAXATION	2,817	2,677	5,897	7,880
Taxation	-	-	-	-
INCOME AFTER TAXATION	2,817	2,677	5,897	7,880
Provision for income distribution	(2,680)	(2,558)	(5,664)	(7,613)
NET INCOME RETAINED	137	119	233	267
EARNINGS PER UNIT (sen)				
- after manager's fees	2.31	2.20	4.84	6.47
- before manager's fees	2.47	2.32	5.29	6.84
DISTRIBUTION PER UNIT (sen)				
- interim	2.20	2.10	4.65	6.25
- final	-	-	-	-
INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:				
-Realised	2,817	2,677	5,897	7,880
-Unrealised	-	-	-	-

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 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 01.01.2009 to 30.09.2009

	Unitholders' Capital RM'000	Distributable ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2009	119,352	125	6,800	126,277
Operations for the period from - 1 January 2009 to 30 September 2009				
Net income for the period	-	5,897	-	5,897
Increase in net assets resulting from operations	-	5,897	-	5,897
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(2,984)	-	(2,984)
- provision	-	(2,680)	-	(2,680)
Decrease in net assets resulting from unitholders' transactions	-	(5,664)	-	(5,664)
Net assets as at 30 September 2009	119,352	358	6,800	126,510

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)
For The Period from 01.01.2008 to 30.09.2008

	Unitholders' Capital RM'000	Distributable ← Undistributed Income →		Total RM'000
		Realised RM'000	Unrealised RM'000	
Net assets as at 1 January 2008	119,352	44	-	119,396
Operations for the period from - 1 January 2008 to 30 September 2008				
Net income for the period	-	7,880	-	7,880
Increase in net assets resulting from operations	-	7,880	-	7,880
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(5,055)	-	(5,055)
- provision	-	(2,558)	-	(2,558)
Decrease in net assets resulting from unitholders' transactions	-	(7,613)	-	(7,613)
Net assets as at 30 September 2008	119,352	311	-	119,663

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 2008 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT (UNAUDITED)
For The Period from 01.01.2009 to 30.09.2009

	Current Year to Date 30.09.2009 RM'000	Preceding Year to Date 30.09.2008 RM'000
<u>Cash Flow From Operating Activities</u>		
Income before taxation	5,897	7,880
Adjustments for:		
Interest income	(311)	(453)
Interest expense	1,003	1,370
Operating income before working capital changes	6,589	8,797
(Increase)/Decrease in receivables	(756)	949
Increase/(Decrease) in payables	761	(99)
Cash generated from operating activities	6,594	9,647
Tax paid	-	-
Net cash generated from operating activities	6,594	9,647
<u>Cash Flow From Investing Activities</u>		
Interest income	311	453
Net cash generated from investing activities	311	453
<u>Cash Flow Form Financing Activities</u>		
Interest paid	(1,003)	(1,370)
Borrowings	-	1,300
Distribution to unitholders	(5,603)	(7,856)
Net cash used in financing activities	(6,606)	(7,926)
Net Decrease In Cash And Cash Equivalents	299	2,174
Cash And Cash Equivalents At The Beginning Of the Period	19,915	16,937
Cash And Cash Equivalents At The End Of the Period	20,214	19,111
<u>Cash and cash equivalents</u>		
Cash and bank balances	597	159
Deposits with licensed financial institution	19,617	18,952
	<u>20,214</u>	<u>19,111</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2008 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 2009

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 2008.

A2. Audit Report of Preceding Financial Year Ended 31 December 2008

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 0.08 sen per unit, amounting to RM 974,408, in respect of the quarter ended 30 June 2009 on 11 September 2009. Based on the third quarter’s result ended 30 September 2009, there will be an

interim distribution of 2.20 sen per unit, amounting to RM 2,679,622 to be made on the 30 November 2009.

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 2008.

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 09	Preceding Quarter As at 30 June 09
Net asset value (RM'000)	126,510	126,373
Units in circulation (units) ('000)	121,801	121,801
Net asset value per unit (RM)	1.0387	1.0375
Market price per unit (RM)	0.78	0.66
Highest traded price per unit during the quarter (RM)	0.81	0.67
Lowest traded price per unit during the quarter (RM)	0.65	0.61

Quarterly Results

For the quarter ended 30 September 2009, the Atrium REIT recorded total revenue of RM 3,636,608 including interest income of RM 97,188. Total expenditure for the quarter under review was RM 819,111 of which RM 285,670 is attributable to property expenses and RM 533,441 to non-property expenses. For the quarter under review, net income after taxation and available for distribution amounted to RM 2,817,497.

B4. Comparison with Preceding Quarter

	Current Quarter 01.07.09 To 30.09.09 RM'000	Preceding Quarter 01.04.09 To 30.06.09 RM'000
Gross revenue	3,539	3,021
Property expenses	(285)	(1,572)
Net property income	<u>3,254</u>	<u>1,449</u>
Interest income	97	95
Change in fair value of investment properties	0	0
Total income	<u>3,351</u>	<u>1,544</u>
Trust expenses	(221)	(231)
Finance cost	(313)	(299)
Net Income before taxation	2,817	1,014
Taxation	0	0
Net Income after taxation	<u>2,817</u>	<u>1,014</u>

The Atrium REIT's Net Income for the current quarter ended 30 September 2009 increased as compared to the preceding quarter as the rental and maintenance costs for Atrium Shah Alam 2 have returned to normal.

The increase in finance cost is due to an increase in the spread charged by Malayan Banking Berhad on the existing Short Term Revolving Credit (“STRC”) facilities with effect from 11 September 2009.

B5. Maintenance Costs and Major Capital Expenditure

The final cost for the rectification of Atrium Shah Alam 2 warehouse floor slab and general repair works (“Repairs and Rectification Works”) is estimated not to exceed RM1,250,000 and has been fully provided for, in the preceding quarter. Subject to a final account to be finalised, repair and maintenance costs amounting to RM955,206 were incurred to date, based on the progress claims submitted by the main contractor, CN Engineering Builders Sdn Bhd (“CNEB”), for the Repairs and Rectification Works.

These Repairs and Rectification Works were awarded to CNEB based on a provisional sum of RM1,663,556 (“Repairs and Rectification Costs”), pursuant to a tender exercise conducted jointly between the Manager and the Property Manager of the Atrium REIT, Azmi and Co Building Services Sdn Bhd.

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

B6. Prospects

The Manager, after considering the shortfall in revenue from Atrium Shah Alam 2 and the Repairs and Rectification Costs incurred for Atrium Shah Alam 2, expects the Atrium REIT’s financial results for 2009 to fall short of its profit projection for the financial year ending 31 December 2009 as disclosed in the prospectus dated 28 February 2007.

Notwithstanding the above, all the properties of the Atrium REIT continue to enjoy 100% occupancy rates for the quarter under review. The high occupancy rates of the properties are due to the relevant tenancies being locked in for the long term period as well as their 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 30.09.2009 %	Date of valuation	Acquisition cost RM'000	Fair value RM'000	Percentage of fair value over Net Assets Value %
Atrium Shah Alam 1	Freehold	Industrial	100	19.12.2008	57,200	61,400	48.5
Atrium Shah Alam 2	Freehold	Industrial	100	19.12.2008	49,100	53,700	42.4
Atrium Puchong	Freehold	Industrial	100	18.12.2008	38,500	38,500	30.4
Atrium Rawang	Freehold	Industrial	100	31.12.2008	10,000	8,000	6.3
					154,800	161,600	

B13. Borrowings and Debt Securities

	As at 30 September 2009 RM'000	As at 31 December 2008 RM'000
Short Term Revolving Credit ("STRC") - secured	<u>45,000</u>	<u>45,000</u>

The interest rate charged per annum is 0.75% above cost of fund (with effect from 11 September 2009). The interest rates for the STRC facility ranged from 2.69% to 3.06% per annum for the quarter under review.

The financial institution took a first legal charge over two investment properties valued at RM69.4 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 30.9.2009	Number of units held	Percentage of total units %	Market value RM
Direct unit holdings in Atrium REIT			
Atrium REIT Managers Sdn Bhd	250,100	0.21	195,078
Directors of the Manager:			
Dato' Zakaria Meranun (resigned on 5.10.2009)	200,000	0.16	156,000
Lim Pang Kiam (resigned on 1.9.2009)	-	-	-
Wong Sui Ee	250,000	0.21	195,000
Lim Kok How	200,000	0.16	156,000
Tor Peng Sie	100,000	0.08	78,000
How Hu Son	100,000	0.08	78,000
Soong Kwong Heng	55,000	0.05	42,900
Related parties of the Manager:			
Glory Blitz Industries Sdn Bhd	19,820,800	16.27	15,460,224
Sparkle Skyline Sdn Bhd	24,451,900	20.08	19,072,482
Vivid Images Sdn Bhd	5,000,000	4.11	3,900,000

The market value is determined by multiplying the number of units with the closing market price of RM0.78.

B15. Taxation

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2009, 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:

	1.4.2009 To 30.6.2009 RM'000	1.1.2009 To 30.9.2009 RM'000
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	2,817	5,897

Income tax using Malaysian tax rate of 25%	704	1,474
Non-deductible expenses	9	79
Effect of income exempted from tax	(713)	(1,553)
Tax expense	-	-

B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	1.1.2009 to 30.9.2009 RM'000	1.1.2008 to 30.9.2008 RM'000
Net property income	7,262	9,531
Interest income	310	453
	7,572	9,984
Less: Expenses	(1,675)	(2,104)
	5,897	7,880
Undistributed income	(233)	(267)
	5,664	7,613
Distribution per unit (sen)		
- First Interim distribution paid on 5 June 2009 (2008: paid on 30 May 2008)	1.65	2.05
- Second Interim distribution paid on 11 September 2009 (2008: paid on 29 August 2008)	0.08	2.10
- Proposed third Interim distribution payable on 30 November 2009 (2008: paid on 28 November 2008)	2.20	2.10

For the financial quarter ended 30 September 2009, the Board of Directors of the Manager has declared an interim income distribution of 2.20 sen per unit to be paid on 30 November 2009 to the unitholders registered in the Record of Depositors on 13 November 2009.

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 2009)

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 2009 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 28 October 2009.

By Order of the Board

LIM POH YEN (MAICSA 7009745)

NG YEN HOONG (LS 008016)

Company Secretaries

Atrium REIT Managers Sdn Bhd

Company No: 710526-V

(As the Manager of Atrium Real Estate Investment Trust)

Kuala Lumpur

Dated: 28 October 2009