

**ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED BALANCE SHEET**

	(Unaudited) As at 30.09.2010 RM	(Audited) As at 31.12.2009 RM
ASSETS		
Non-current assets		
Investment properties	161,600,000	161,600,000
Current assets		
Trade and other receivables	840,882	624,866
Deposits with licensed financial institution	19,332,156	19,767,821
Bank balance	447,398	357,087
	<u>20,620,436</u>	<u>20,749,774</u>
TOTAL ASSETS	<u>182,220,436</u>	<u>182,349,774</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,098,701	8,138,272
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,618,721	2,801,423
	<u>55,717,422</u>	<u>55,939,695</u>
TOTAL LIABILITIES	<u>55,717,422</u>	<u>55,939,695</u>
NET ASSET VALUE ("NAV")	<u>126,503,014</u>	<u>126,410,079</u>
FINANCED BY:		
UNITHOLDERS' FUNDS		
Unitholders' capital	119,351,580	119,351,580
Undistributed income		
- realised	351,434	258,499
- unrealised	6,800,000	6,800,000
	<u>126,503,014</u>	<u>126,410,079</u>
TOTAL UNITHOLDERS' FUND	<u>126,503,014</u>	<u>126,410,079</u>
NUMBERS OF UNITS IN CIRCULATION (UNITS)	<u>121,801,000</u>	<u>121,801,000</u>
NAV PER UNIT (RM)		
- before proposed distribution	1.0601	1.0608
- after proposed distribution	<u>1.0386</u>	<u>1.0378</u>

The Condensed Balance Sheet should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 30.09.2010 RM	Preceding Year Corresponding Quarter 30.09.2009 RM	Current Year to Date 30.09.2010 RM	Preceding Year to Date 30.09.2009 RM
Gross revenue	3,568,543	3,539,420	10,657,091	9,444,554
Property expenses	(341,652)	(285,670)	(979,213)	(2,182,447)
NET PROPERTY INCOME	3,226,891	3,253,750	9,677,878	7,262,107
Interest income	123,488	97,188	312,530	310,665
TOTAL INCOME	3,350,379	3,350,938	9,990,408	7,572,772
TRUST EXPENSES				
Manager's fees	(192,637)	(194,014)	(571,668)	(552,187)
Trustee's fees	(12,842)	(12,934)	(38,111)	(38,187)
Auditors' fees	(4,500)	(3,750)	(12,750)	(11,250)
Tax agent's fees	(1,600)	(1,050)	(7,140)	(3,150)
Borrowing cost	(426,603)	(312,562)	(1,158,705)	(1,003,176)
Valuation fees	-	-	(28,000)	500
Administrative expenses	(9,487)	(9,131)	(61,446)	(67,611)
Others	-	-	(224,390)	(245)
	(647,669)	(533,441)	(2,102,210)	(1,675,306)
INCOME BEFORE TAXATION	2,702,710	2,817,497	7,888,198	5,897,466
Taxation	-	-	-	-
INCOME AFTER TAXATION	2,702,710	2,817,497	7,888,198	5,897,466
Provision for income distribution	(2,618,721)	(2,679,622)	(7,795,263)	(5,663,746)
NET INCOME RETAINED	83,989	137,875	92,935	233,720
EARNINGS PER UNIT (sen)				
- after manager's fees	2.22	2.31	6.48	4.84
- before manager's fees	2.38	2.47	6.95	5.29
DISTRIBUTION PER UNIT (sen)				
- interim	2.15	2.20	6.40	4.65
- final	-	-	-	-
INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:				
-Realised	2,702,710	2,817,497	7,888,198	5,897,466
-Unrealised	-	-	-	-

The Condensed Income Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 01.01.2010 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

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)
For The Period from 01.01.2009 to 30.09.2009

	Unitholders' Capital RM	Distributable ← Undistributed Income →		Total RM
		Realised RM	Unrealised RM	
Net assets as at 1 January 2009	119,351,580	125,101	6,800,000	126,276,681
Operations for the period from - 1 January 2009 to 30 September 2009				
Net income for the period	-	5,897,466	-	5,897,466
Increase in net assets resulting from operations	-	5,897,466	-	5,897,466
Unitholders' transactions				
Distributions to unitholders -paid	-	(2,984,124)	-	(2,984,124)
- provision	-	(2,679,622)	-	(2,679,622)
Decrease in net assets resulting from unitholders' transactions	-	(5,663,746)	-	(5,663,746)
Net assets as at 30 September 2009	119,351,580	358,821	6,800,000	126,510,401

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 2009 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED CASH FLOW STATEMENT (UNAUDITED)
For The Period from 01.01.2010 to 30.09.2010

	Current Year to Date 30.09.2010 RM	Preceding Year to Date 30.09.2009 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	7,888,198	5,897,466
Adjustments for:		
Interest income	(312,530)	(310,665)
Interest expense	1,158,705	1,003,176
Operating income before working capital changes	8,734,373	6,589,977
Increase in trade and other receivables	(216,016)	(756,831)
(Decrease)/Increase in trade and other payables	(39,571)	760,615
Cash generated from operating activities	8,478,786	6,593,761
Tax paid	-	-
Net cash generated from operating activities	8,478,786	6,593,761
<u>Cash Flow From Investing Activities</u>		
Interest income	312,530	310,665
Net cash generated from investing activities	312,530	310,665
<u>Cash Flow Form Financing Activities</u>		
Interest paid	(1,158,705)	(1,003,176)
Distribution to unitholders	(7,977,965)	(5,602,846)
Net cash used in financing activities	(9,136,670)	(6,606,022)
Net Decrease In Cash And Cash Equivalents	(345,354)	298,404
Cash And Cash Equivalents At The Beginning Of the Period	20,124,908	19,915,468
Cash And Cash Equivalents At The End Of the Period	19,779,554	20,213,872
<u>Cash and cash equivalents</u>		
Cash and bank balances	447,398	596,988
Deposits with licensed financial institution	19,332,156	19,616,884
	<u>19,779,554</u>	<u>20,213,872</u>

The Condensed Cash Flow Statement should be read in conjunction with the Audited Financial Report for the year ended 31 December 2009 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 2010

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 2009.

A2. Audit Report of Preceding Financial Year Ended 31 December 2009

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 2010, on 27 August 2010. Based on the third quarter’s result ended 30 September 2010, there will be an interim distribution of 2.15 sen per unit, amounting to RM 2,618,721 to be made on the 30 November 2010.

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 2009.

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 2010	Preceding Quarter As at 30 June 2010
Net asset value (RM)	126,503,014	126,419,025
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0386	1.0379
Market price per unit (RM)	1.00	0.96
Highest traded price per unit during the quarter (RM)	1.10	0.99
Lowest traded price per unit during the quarter (RM)	0.95	0.92

Quarterly Results

For the quarter ended 30 September 2010, the Atrium REIT recorded total revenue of RM 3,692,031 including other income of RM 123,488. Total expenditure for the quarter under review was RM 989,321 of which RM 341,652 is attributable to property expenses and RM 647,669 to non-property expenses. For the quarter under review, net income after taxation and available for distribution amounted to RM 2,702,710.

B4. Comparison with Preceding Quarter

	Current Quarter 01.07.2010 To 30.09.2010 RM	Preceding Quarter 01.04.2010 To 30.06.2010 RM
Gross revenue	3,568,543	3,549,128
Property expenses	(341,652)	(330,082)
Net property income	3,226,891	3,219,046
Interest income	123,488	95,588
Miscellaneous income	-	-
Total income	3,350,379	3,314,634
Trust expenses	(221,066)	(361,853)
Borrowing cost	(426,603)	(392,550)
Net Income before taxation	2,702,710	2,560,231
Taxation	0	0
Net Income after taxation	2,702,710	2,560,231

The Atrium REIT's Net Income for the current quarter ended 30 September 2010 increased slightly as compared to the preceding quarter due mainly to a decrease in the Trust expenses and a slight increase in other income even though borrowing costs increased. The decrease in Trust expenses is due to no further provisions of legal fees, valuation fees and professional fees in this quarter as those made in the earlier quarters, in anticipation of acquisitions in the pipeline, are expected to be sufficient. The increase in borrowing costs was due to higher interest rate charged by financial institutions as a result of the Bank Negara Malaysia increasing its benchmark Overnight Policy Rate in July 2010.

B5. Maintenance Costs and Major Capital Expenditure

Atrium Shah Alam 2

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 the state and condition of the affected area. To date, there appeared to be no further remedial works required.

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

B6. Prospects

DHL has confirmed that it will be renewing the rental for Atrium Shah Alam 1 for a period of 3 years, commencing on 1 January 2011 and expiring on 31 December 2013, whilst the Atrium Puchong lease renewal will be for a period of 4 years, commencing on 19 September 2010 and expiring on 18 September 2014. The relevant documentations in relation to the said renewals will be executed by both parties in due course.

Barring any unforeseen circumstances, the Manager expects all the properties of the Atrium REIT to maintain its 100% occupancy rates for 2010. 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 30.09.2010 %	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	31.12.2009	57,200	61,400	48.5
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2009	49,100	53,700	42.4
Atrium Puchong	Freehold	Industrial	100	31.12.2009	38,500	38,500	30.4
Atrium Rawang	Freehold	Industrial	100	31.12.2009	10,000	8,000	6.3
						154,800	161,600

B13. Borrowings and Debt Securities

	As at 30 September 2010 RM	As at 30 June 2010 RM
Short Term Revolving Credit (“STRC”) - secured	45,000,000	45,000,000

The interest rates for the STRC facility ranged from 3.79% to 3.82% 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 30.09.2010	Number of units held	Percentage of total units %	Market Value* RM
Direct unit holdings in Atrium REIT			
Atrium REIT Managers Sdn Bhd	302,100	0.25	290,016
Directors of the Manager:			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	285,000	0.23	285,000
Tor Peng Sie	100,000	0.08	100,000
How Hu Son	100,000	0.08	100,000
Soong Kwong Heng	55,000	0.05	55,000
Related parties of the Manager:			
Glory Blitz Industries Sdn Bhd	20,014,800	16.43	20,014,800
Sparkle Skyline Sdn Bhd	9,258,900	7.60	9,258,900
Chan Kam Tuck	15,113,200	12.41	15,113,200
Chan Kum Chong	70,000	0.06	70,000

*The market value is determined by multiplying the number of units with the closing market price of RM1.00.

B15. Taxation

The Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2010, 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:

	01.07.2010 To 30.09.2010 RM	01.01.2010 To 30.09.2010 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	2,702,710	7,888,198
Income tax using Malaysian tax rate of 25%	675,678	1,972,050
Effect of income exempted from tax	(675,678)	(1,972,050)
Tax expense	-	-

B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	01.01.2010 to 30.09.2010 RM	01.01.2009 to 30.09.2009 RM
Net property income	9,677,878	7,262,107
Interest income	<u>312,530</u>	<u>310,665</u>
	9,990,408	7,572,772
Less: Expenses	<u>(2,102,210)</u>	<u>(1,675,306)</u>
Net income	7,888,198	5,897,466
Undistributed income		
- Realised	(92,935)	(233,720)
- Unrealised	<u>-</u>	<u>-</u>
Total income distributions	<u>7,795,263</u>	<u>5,663,746</u>
Distribution per unit (sen)		
- First Interim distribution paid on 27 May 2010 (2009: paid on 5 June 2009)	2.10	1.65
- Second Interim distribution payable on 27 August 2010 (2009: paid on 11 September 2009)	2.15	0.80
- Third Interim distribution payable on 30 November 2010 (2009: paid on 30 November 2009)	2.15	2.20

For the financial quarter ended 30 September 2010, the Board of Directors of the Manager has declared an interim income distribution of 2.15 sen per unit to be paid on 30 November 2010 to the unitholders registered in the Record of Depositors on 9 November 2010.

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 2010)

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 2010 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 21 October 2010.

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: 21 October 2010