

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

	(Unaudited) As at 30.06.2010 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	674,102	624,866
Deposits with licensed financial institution	19,326,580	19,767,821
Bank balance	736,692	357,087
	<u>20,737,374</u>	<u>20,749,774</u>
TOTAL ASSETS	<u>182,337,374</u>	<u>182,349,774</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,299,628	8,138,272
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,618,721	2,801,423
	<u>55,918,349</u>	<u>55,939,695</u>
TOTAL LIABILITIES	<u>55,918,349</u>	<u>55,939,695</u>
NET ASSET VALUE (“NAV”)	<u>126,419,025</u>	<u>126,410,079</u>
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	119,351,580	119,351,580
Undistributed income		
- realised	267,445	258,499
- unrealised	6,800,000	6,800,000
	<u>126,419,025</u>	<u>126,410,079</u>
TOTAL UNITHOLDERS’ FUND	<u>126,419,025</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	1.0594	1.0608
- after proposed distribution	<u>1.0379</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 30.06.2010 RM	Preceding Year Corresponding Quarter 30.06.2009 RM	Current Year to Date 30.06.2010 RM	Preceding Year to Date 30.06.2009 RM
Gross revenue	3,549,128	3,021,096	7,088,548	5,905,134
Property expenses	(330,082)	(1,571,683)	(637,561)	(1,896,776)
NET PROPERTY INCOME	3,219,046	1,449,413	6,450,987	4,008,358
Interest income	95,588	95,054	189,042	213,477
TOTAL INCOME	3,314,634	1,544,467	6,640,029	4,221,835
TRUST EXPENSES				
Manager's fees	(190,571)	(189,604)	(379,031)	(358,173)
Trustee's fees	(12,705)	(12,640)	(25,269)	(25,253)
Auditors' fees	(4,500)	(3,750)	(8,250)	(7,500)
Tax agent's fees	(1,050)	(1,050)	(5,540)	(2,100)
Borrowing cost	(392,550)	(299,278)	(732,102)	(690,614)
Valuation fees	(16,500)	500	(28,000)	500
Administrative expenses	(26,427)	(24,495)	(51,959)	(58,480)
Others	(110,100)	(165)	(224,390)	(245)
	(754,403)	(530,482)	(1,454,541)	(1,141,865)
INCOME BEFORE TAXATION	2,560,231	1,013,985	5,185,488	3,079,970
Taxation	-	-	-	-
INCOME AFTER TAXATION	2,560,231	1,013,985	5,185,488	3,079,970
Provision for income distribution	(2,618,721)	(974,408)	(5,176,542)	(2,984,125)
NET INCOME RETAINED	(58,490)	39,577	8,946	95,845
EARNINGS PER UNIT (sen)				
- after manager's fees	2.10	0.83	4.26	2.53
- before manager's fees	2.26	0.99	4.57	2.82
DISTRIBUTION PER UNIT (sen)				
- interim	2.15	0.80	4.25	2.45
- final	-	-	-	-
INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:				
-Realised	2,560,231	1,013,985	5,185,488	3,079,970
-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 30.06.2010

	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 June 2010				
Net income for the period	-	5,185,488	-	5,185,488
Increase in net assets resulting from operations	-	5,185,488	-	5,185,488
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(2,557,821)	-	(2,557,821)
- provision	-	(2,618,721)	-	(2,618,721)
Decrease in net assets resulting from unitholders' transactions	-	(5,176,542)	-	(5,176,542)
Net assets as at 30 June 2010	119,351,580	267,445	6,800,000	126,419,025

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (UNAUDITED)(cont'd)
For The Period from 01.01.2009 to 30.06.2009

	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 June 2009				
Net income for the period	-	3,079,970	-	3,079,970
Increase in net assets resulting from operations	-	3,079,970	-	3,079,970
Unitholders' transactions				
Distributions to unitholders				
-paid	-	(2,009,717)	-	(2,009,717)
- provision	-	(974,408)	-	(974,408)
Decrease in net assets resulting from unitholders' transactions	-	(2,984,125)	-	(2,984,125)
Net assets as at 30 June 2009	119,351,580	220,946	6,800,000	126,372,526

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 30.06.2010

	Current Year to Date 30.06.2010 RM	Preceding Year to Date 30.06.2009 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	5,185,488	3,079,970
Adjustments for:		
Interest income	(189,042)	(213,477)
Interest expense	732,102	690,614
Operating income before working capital changes	5,728,548	3,557,107
Increase in trade and other receivables	(49,236)	(1,858,933)
Decrease in trade and other payables	161,356	2,875,002
Cash generated from operating activities	5,840,668	4,573,176
Tax paid	-	-
Net cash generated from operating activities	5,840,668	4,573,176
<u>Cash Flow From Investing Activities</u>		
Interest income	189,042	213,477
Net cash generated from investing activities	189,042	213,477
<u>Cash Flow Form Financing Activities</u>		
Interest paid	(732,102)	(690,614)
Distribution to unitholders	(5,359,244)	(4,628,438)
Net cash used in financing activities	(6,091,346)	(5,319,052)
Net Decrease In Cash And Cash Equivalents	(61,636)	(532,399)
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	20,063,272	19,383,069
<u>Cash and cash equivalents</u>		
Cash and bank balances	736,692	377,540
Deposits with licensed financial institution	19,326,580	19,005,529
	<u>20,063,272</u>	<u>19,383,069</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 June 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 2.10 sen per unit, amounting to RM 2,557,821 in respect of the quarter ended 31 March 2010, on 27 May 2010. Based on the second quarter’s result ended 30 June 2010, there will be an interim distribution of 2.15 sen per unit, amounting to RM 2,618,721 to be made on the 27 August 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 June 2010	Preceding Quarter As at 31 March 2010
Net asset value (RM)	126,419,025	126,477,516
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0379	1.0384
Market price per unit (RM)	0.96	0.94
Highest traded price per unit during the quarter (RM)	0.99	0.95
Lowest traded price per unit during the quarter (RM)	0.92	0.88

Quarterly Results

For the quarter ended 30 June 2010, the Atrium REIT recorded total revenue of RM 3,644,716 including other income of RM 95,588. Total expenditure for the quarter under review was RM 1,084,485 of which RM 330,082 is attributable to property expenses and RM 754,403 to non-property expenses. For the quarter under review, net income after taxation and available for distribution amounted to RM 2,560,231.

B4. Comparison with Preceding Quarter

	Current Quarter 01.04.2010 To 30.06.2010 RM	Preceding Quarter 01.01.2010 To 31.03.2010 RM
Gross revenue	3,549,128	3,539,420
Property expenses	(330,082)	(307,479)
Net property income	<u>3,219,046</u>	<u>3,231,941</u>
Interest income	95,588	93,454
Miscellaneous income	-	-
Total income	<u>3,314,634</u>	<u>3,325,395</u>
Trust expenses	(361,853)	(360,585)
Finance cost	(392,550)	(339,552)
Net Income before taxation	<u>2,560,231</u>	<u>2,625,258</u>
Taxation	0	0
Net Income after taxation	<u>2,560,231</u>	<u>2,625,258</u>

The Atrium REIT's Net Income for the current quarter ended 30 June 2010 decreased slightly as compared to the preceding quarter due mainly to an increase in the Trust expenses even though there was a slight increase in other income. The increase in Trust expenses is due to an increase in finance costs. The increase in finance costs was due to higher interest rate charged by financial institutions as a result of the Bank Negara Malaysia increasing the benchmark Overnight Policy Rate by a total of 75 basis points to date since March 2010.

B5. Maintenance Costs and Major Capital Expenditure

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

B6. Prospects

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 competitive rental rates, strategic locations and excellent facilities.

The leases for Atrium Shah Alam 1 and Atrium Puchong will be expiring on 31 December 2010 and 18 September 2010 respectively. The renewal of the tenancies which were expected to be concluded in the 2nd quarter of 2010 has been delayed; however, the Manager has been assured by DHL regional office that DHL intends to renew the tenancies but is currently awaiting final approval from their Board of Directors.

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 30.06.2010 %	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	48.6
Atrium Shah Alam 2	Freehold	Industrial	100	31.12.2009	49,100	53,700	42.5
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 June 2010 RM	As at 31 March 2010 RM
Short Term Revolving Credit ("STRC") - secured	45,000,000	45,000,000

The interest rates for the STRC facility ranged from 3.29% to 3.44% 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 30.06.2010	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

As at 30.06.2010	Number of units held	Percentage of total units %	Market value RM
Directors of the Manager:			
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-
Wong Sui Ee	265,000	0.22	254,400
Tor Peng Sie	100,000	0.08	96,000
How Hu Son	100,000	0.08	96,000
Soong Kwong Heng	55,000	0.05	52,800

Related parties of the Manager:

Glory Blitz Industries Sdn Bhd	19,889,800	16.33	19,094,208
Sparkle Skyline Sdn Bhd	9,258,900	7.60	8,888,544
Chan Kam Tuck	15,108,000	12.40	14,503,680
Chan Kum Chong	70,000	0.06	67,200

The market value is determined by multiplying the number of units with the closing market price of RM0.96.

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:

	01.04.2010 To 30.06.2010 RM	01.01.2010 To 30.06.2010 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	2,560,231	5,185,488
Income tax using Malaysian tax rate of 25%	640,058	1,296,372
Effect of income exempted from tax	(640,058)	(1,296,372)
Tax expense	-	-

B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	01.01.2010 to 30.06.2010 RM	01.01.2009 to 30.06.2009 RM
Net property income	6,450,987	4,008,358
Interest income	189,042	213,477
	<hr/>	<hr/>
	6,640,029	4,221,835
Less: Expenses	(1,454,541)	(1,141,865)
Net income	5,185,488	3,079,970
Undistributed income		
- Realised	(8,946)	(95,845)
- Unrealised	-	-
	<hr/>	<hr/>
Total income distributions	5,176,542	2,984,125
	<hr/>	<hr/>
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

For the financial quarter ended 30 June 2010, the Board of Directors of the Manager has declared an interim income distribution of 2.15 sen per unit to be paid on 27 August 2010 to the unitholders registered in the Record of Depositors on 9 August 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 June 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 July 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: 22 July 2010