

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

	(Unaudited) As at 31.12.2010 RM	(Audited) As at 31.12.2009 RM
ASSETS		
Non-current assets		
Investment properties	163,000,000	161,600,000
Current assets		
Trade and other receivables	579,254	624,866
Deposits with licensed financial institution	19,803,050	19,767,821
Bank balance	521,830	357,087
	<u>20,904,134</u>	<u>20,749,774</u>
TOTAL ASSETS	<u>183,904,134</u>	<u>182,349,774</u>
LIABILITIES		
Current liabilities		
Trade and other payables	8,377,490	8,138,272
Borrowings	45,000,000	45,000,000
Provision for income distribution	2,679,622	2,801,423
	<u>56,057,112</u>	<u>55,939,695</u>
TOTAL LIABILITIES	<u>56,057,112</u>	<u>55,939,695</u>
NET ASSET VALUE (“NAV”)	<u>127,847,022</u>	<u>126,410,079</u>
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	119,351,580	119,351,580
Undistributed income		
- realised	295,442	258,499
- unrealised	8,200,000	6,800,000
	<u>127,847,022</u>	<u>126,410,079</u>
TOTAL UNITHOLDERS’ FUND	<u>127,847,022</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	1.0716	1.0608
- after proposed distribution	<u>1.0496</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 31.12.2010 RM	Preceding Year Corresponding Quarter 31.12.2009 RM	Current Year to Date 31.12.2010 RM	Preceding Year to Date 31.12.2009 RM
Gross revenue	3,513,057	3,539,420	14,170,149	12,983,975
Property expenses	(341,696)	(361,501)	(1,320,910)	(2,543,948)
NET PROPERTY INCOME	3,171,361	3,177,919	12,849,239	10,440,027
Interest income	139,613	100,320	452,143	410,985
Change in fair value of investment properties	1,400,000	-	1,400,000	-
Other income	8,027	19,297	8,027	19,297
TOTAL INCOME	4,719,001	3,297,536	14,709,409	10,870,309
TRUST EXPENSES				
Manager's fees	(192,706)	(192,768)	(764,374)	(744,955)
Trustee's fees	(12,847)	(12,851)	(50,958)	(51,039)
Auditors' fees	(5,250)	(3,750)	(18,000)	(15,000)
Tax agent's fees	(1,050)	(850)	(8,190)	(4,000)
Borrowing cost	(433,109)	(347,054)	(1,591,814)	(1,350,230)
Valuation fees	(40,000)	(45,000)	(68,000)	(44,500)
Administrative expenses	(10,409)	5,837	(71,854)	(61,773)
Others	-	-	(224,390)	(245)
	(695,371)	(596,436)	(2,797,580)	(2,271,742)
INCOME BEFORE TAXATION	4,023,630	2,701,100	11,911,829	8,598,567
Taxation	-	-	-	-
INCOME AFTER TAXATION	4,023,630	2,701,100	11,911,829	8,598,567
Provision for income distribution	(2,679,622)	(2,801,423)	(10,474,886)	(8,465,169)
NET INCOME RETAINED	1,344,008	(100,323)	1,436,943	133,398
EARNINGS PER UNIT (sen)				
- after manager's fees	3.30	2.22	9.78	7.06
- before manager's fees	3.46	2.38	10.41	7.67
DISTRIBUTION PER UNIT (sen)				
- interim	-	-	6.40	4.65
- final	2.20	2.30	2.20	2.30
INCOME BEFORE TAXATION IS MADE UP AS FOLLOWS:				
-Realised	2,623,630	2,701,100	10,511,829	8,465,169
-Unrealised	1,400,000	-	1,400,000	-

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
For The Period from 01.01.2010 to 30.12.2010 (UNAUDITED)

	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 31 December 2010				
Net income for the period	-	10,511,829	1,400,000	11,911,829
Increase in net assets resulting from operations	-	10,511,829	1,400,000	11,911,829
Unitholders' transactions				
Distributions to unitholders				
- paid	-	(7,795,264)	-	(7,795,264)
- provision	-	(2,679,622)	-	(2,679,622)
Decrease in net assets resulting from unitholders' transactions	-	(10,474,886)	-	(10,474,886)
Net assets as at 31 December 2010	119,351,580	295,442	8,200,000	127,847,022

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (cont'd)
For The Period from 01.01.2009 to 31.12.2009 (AUDITED)

	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 31 December 2009				
Net income for the period	-	8,598,567	-	8,598,567
Increase in net assets resulting from operations	-	8,598,567	-	8,598,567
Unitholders' transactions				
Distributions to unitholders				
-paid	-	(5,663,746)	-	(5,663,746)
- provision	-	(2,801,423)	-	(2,801,423)
Decrease in net assets resulting from unitholders' transactions	-	(8,465,169)	-	(8,465,169)
Net assets as at 31 December 2009	119,351,580	258,499	6,800,000	126,410,079

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 31.12.2010

	Current Year to Date 31.12.2010 RM	Preceding Year to Date 31.12.2009 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	11,911,829	8,598,567
Adjustments for:		
Change in fair value of investment properties	(1,400,000)	
Interest income	(452,143)	(410,985)
Interest expense	1,591,814	1,350,230
Operating income before working capital changes	11,651,500	9,537,812
Decrease/(Increase) in trade and other receivables	45,612	(17,288)
Increase/(Decrease) in trade and other payables	239,218	(89,371)
Cash generated from operating activities	11,936,330	9,431,153
Tax paid	-	-
Net cash generated from operating activities	11,936,330	9,431,153
<u>Cash Flow From Investing Activities</u>		
Interest income	452,143	410,985
Net cash generated from investing activities	452,143	410,985
<u>Cash Flow Form Financing Activities</u>		
Interest paid	(1,591,814)	(1,350,230)
Distribution to unitholders	(10,596,687)	(8,282,468)
Net cash used in financing activities	(12,188,501)	(9,632,698)
Net Decrease In Cash And Cash Equivalents	199,972	209,440
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	20,324,880	20,124,908
<u>Cash and cash equivalents</u>		
Cash and bank balances	521,830	357,087
Deposits with licensed financial institution	19,803,050	19,767,821
	<u>20,324,880</u>	<u>20,124,908</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 31 December 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, on 30 November 2010, 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 September 2010. Based on the fourth quarter's results ended 31 December 2010, there will be a final distribution of 2.20 sen per unit, amounting to RM 2,679,622 to be made on the 4 March 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. During the quarter under review, a revaluation exercise was undertaken for the investment properties of the Atrium REIT in pursuant to the FRS 140. The revaluation resulted in a surplus of RM1,400,000 and has been incorporated into the financial statements of the Atrium REIT as at 31 December 2010.

The details of the said revaluation carried out are tabled as follows:

Description of property	Tenure of land	Existing use	Location	Date of valuation	Net Book Value RM'000	Latest valuation RM'000	Revaluation Surplus RM'000
Atrium Shah Alam 1	Freehold	Industrial	Shah Alam	31.12.2010	61,400	62,000	600
Atrium Shah Alam 2	Freehold	Industrial	Shah Alam	31.12.2010	53,700	54,500	800
Atrium Puchong	Freehold	Industrial	Puchong	31.12.2010	38,500	38,500	-
Atrium Rawang	Freehold	Industrial	Rawang	31.12.2010	8,000	8,000	-
Total					161,600	163,000	1,400

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. Net Asset Value and Unit Price

	Current Quarter As at 31 December 2010	Preceding Quarter As at 30 September 2010
Net asset value (RM)	127,847,022	126,503,014
Units in circulation (units)	121,801,000	121,801,000
Net asset value per unit (RM)	1.0496	1.0386
Market price per unit (RM)	1.06	1.00
Highest traded price per unit during the quarter (RM)	1.08	1.10
Lowest traded price per unit during the quarter (RM)	0.99	0.95

B4. Review of Performance

Quarterly Results

For the quarter ended 31 December 2010, the Atrium REIT recorded total income of RM 4,719,001 which is 43.1% higher than the corresponding quarter of RM 3,297,536. Net income before taxation for the quarter of RM 4,023,630 represents an increase of 48.9% compared to RM 2,701,100 achieved in the last corresponding quarter.

The higher net income before taxation is due mainly to the revaluation gains on the investment properties even though the Trust recorded higher expenses and borrowing costs for the quarter under review.

Financial Year End Result

For the financial year ended 31 December 2010 (“FY2010”), the Atrium REIT achieved a net income before taxation of RM11,911,829, which is 38.5% higher compared to RM8,598,567 for the last financial year. The increase is due mainly to the revaluation gains on the investment properties and maintenance costs returning to normal.

	Current Quarter 01.10.2010 To 31.12.2010 RM	Preceding Quarter 01.07.2010 To 30.09.2010 RM
Gross revenue	3,513,057	3,568,543
Property expenses	(341,696)	(341,652)
Net property income	3,171,361	3,226,891
Interest income	139,613	123,488
Change in fair value of investment properties	1,400,000	-
Other income	8,027	-
Total income	4,719,001	3,350,379
Trust expenses	(262,262)	(221,066)
Borrowing cost	(433,109)	(426,603)
Net Income before taxation	4,023,630	2,702,710
Taxation	0	0
Net Income after taxation	4,023,630	2,702,710

Comparison with preceding quarter

For the quarter under review, the Atrium REIT recorded net income before taxation of RM 4,719,001 which is 40.8% higher than the preceding quarter of RM 3,350,379, due mainly to the revaluation gains on the investment properties. These coupled with higher other income contributed to the increase in net income after taxation even though property, interest and trust expenses were higher and the gross revenue was lower for the current quarter.

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 Manager is targeting to have the relevant documentations in relation to the said renewals executed by both parties by the 1st Quarter 2011.

Barring any unforeseen circumstances, the Manager expects all the properties of the Atrium REIT to maintain its 100% occupancy rates for 2011. 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 31.12.2010 %	Date of valuation	Acquisition cost RM'000	Latest valuation (A) RM'000	Percentage of (A) over Net Assets Value as at 31.12.2010 %
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 31 December 2010 RM	As at 30 September 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 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 31.12.2010	Number of units held	Percentage of total units %	Market Value* RM
Direct unit holdings in the 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	290,000	0.24	307,400
Tor Peng Sie	100,000	0.08	106,000
How Hu Son	100,000	0.08	106,000
Soong Kwong Heng	55,000	0.05	58,300
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	20,014,800	16.43	21,215,688
Sparkle Skyline Sdn. Bhd.	9,258,900	7.60	9,814,434
Chan Kam Tuck	15,400,200	12.64	16,324,212
Chan Kum Chong	70,000	0.06	74,200

*The market value is determined by multiplying the number of units with the closing market price of RM1.06.

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:

	01.10.2010 To 31.12.2010 RM	01.01.2010 To 31.12.2010 RM
Current tax expense	-	-
Reconciliation of effective tax expense		
Income before taxation	4,023,630	11,911,829
Income tax using Malaysian tax rate of 25%	1,005,908	2,977,957
Effect of income exempted from tax	(1,005,908)	(2,977,957)
Tax expense	-	-

B16. Distribution to Unitholders

Distributions to unitholders are from the following sources:

	01.01.2010 to 31.12.2010 RM	01.01.2009 to 31.12.2009 RM
Net property income	12,849,239	10,440,027
Interest income	452,143	410,985
Change in fair value of investment properties	1,400,000	-
Other income	8,027	19,297
	<u>14,709,409</u>	<u>10,870,309</u>
Less: Expenses	<u>(2,797,580)</u>	<u>(2,271,742)</u>
Net income	11,911,829	8,598,567
Undistributed income		
- Realised	(36,943)	(133,398)
- Unrealised	<u>(1,400,000)</u>	<u>-</u>
Total income distributions	<u>10,474,886</u>	<u>8,465,169</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
- Fourth and final distribution payable on 4 March 2011 (2010: paid on 25 February 2010)	2.20	2.30

For the financial quarter ended 31 December 2010, the Board of Directors of the Manager has declared a final income distribution of 2.20 sen per unit to be paid on 4 March 2011 to the unitholders registered in the Record of Depositors on 14 February 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 31 December 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 25 January 2011.

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: 25 January 2011