



ATRIUM REAL ESTATE INVESTMENT TRUST

Condensed Financial Statements

First Quarter Ended 31 March 2024

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ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31.03.2024 RM	(Audited) As at 31.12.2023 RM
ASSETS		
Non-current asset		
Investment properties	588,255,983	583,314,808
Investment properties – accrued lease income	12,385,192	12,385,192
	<u>600,641,175</u>	<u>595,700,000</u>
Current assets		
Trade and other receivables	14,281,588	10,837,980
Deposits with a licensed bank	23,626,193	36,564,571
Bank balances	619,132	823,476
	<u>38,526,913</u>	<u>48,226,027</u>
TOTAL ASSETS	<u>639,168,088</u>	<u>643,926,027</u>
LIABILITIES		
Non-current liabilities		
Tenants’ deposits	17,489,128	15,420,567
Borrowings	211,231,130	211,231,130
Deferred tax liability	10,235,744	10,235,744
	<u>238,956,002</u>	<u>236,887,441</u>
Current liabilities		
Trade and other payables	1,991,165	9,599,785
Borrowings	39,600,000	40,602,670
	<u>41,591,165</u>	<u>50,202,455</u>
TOTAL LIABILITIES	<u>280,547,167</u>	<u>287,089,896</u>
NET ASSET VALUE (“NAV”)	<u>358,620,921</u>	<u>356,836,131</u>
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	288,477,719	288,477,719
Undistributed income	70,143,202	68,358,412
TOTAL UNITHOLDERS’ FUNDS	<u>358,620,921</u>	<u>356,836,131</u>
NUMBER OF UNITS IN CIRCULATION	<u>265,550,680</u>	<u>265,550,680</u>
NAV PER UNIT (RM)		
- before income distribution	1.3505	1.3438
- after income distribution (Note 1)	1.3305	1.3268

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

(Note 1 - Being Net Asset Value Per Unit after reflecting realised income to be distributed as first interim income distribution for 2024 of 2.00 sen per unit, payable on 4 June 2024)

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

	Individual Quarter		Cumulative Quarter	
	Current Year to Quarter 31.03.2024 RM	Preceding Year Corresponding 31.03.2023 RM	Current Year to Date 31.03.2024 RM	Preceding Year to Date 31.03.2023 RM
Gross revenue	10,896,197	9,198,224	10,896,197	9,198,224
Unbilled lease income receivable	953,190	652,844	953,190	652,844
Property operating expenses	11,849,387 (1,197,963)	9,851,068 (630,199)	11,849,387 (1,197,963)	9,851,068 (630,199)
Net rental income	10,651,424	9,220,869	10,651,424	9,220,869
Interest income	244,023	413,059	244,023	413,059
Other income	1,207	827	1,207	827
Total income	10,896,654	9,634,755	10,896,654	9,634,755
Trust expenses				
Manager's fees	(887,766)	(838,477)	(887,766)	(838,477)
Trustee's fees	(88,777)	(83,848)	(88,777)	(83,848)
Auditors' fees	(12,350)	(11,400)	(12,350)	(11,400)
Tax agent's fees	(3,300)	(1,200)	(3,300)	(1,200)
Finance costs	(2,885,080)	(2,798,009)	(2,885,080)	(2,798,009)
Administrative expenses	(640,229)	(555,472)	(640,229)	(555,472)
Others	(80,000)	-	(80,000)	-
Total Expenses	(4,597,502)	(4,288,406)	(4,597,502)	(4,288,406)
Income/(loss) before taxation	6,299,152	5,346,349	6,299,152	5,346,349
Taxation	-	-	-	-
Net income/(loss) for the period	6,299,152	5,346,349	6,299,152	5,346,349

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME (CONT'D)

	Individual Quarter		Cumulative Quarter	
	Current Year to Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year to Date
	31.03.2024 RM	31.03.2023 RM	31.03.2024 RM	31.03.2023 RM
Total comprehensive income for the period	6,299,152	5,346,349	6,299,152	5,346,349
Net income for the period is made up as follows:				
-Realised Income	5,345,962	4,693,505	5,345,962	4,693,505
-Unrealised - Unbilled lease income receivable ¹	953,190	652,844	953,190	652,844
	6,299,152	5,346,349	6,299,152	5,346,349

Earnings per unit (including unrealised income) (sen)

- after manager's fees	2.37	2.07 [#]	2.37	2.07 [#]
- before manager's fees	2.71	2.40 [#]	2.71	2.40 [#]

Earnings per unit (realised) (sen)

- after manager's fees	2.01	1.82 [#]	2.01	1.82 [#]
- before manager's fees	2.35	2.14 [#]	2.35	2.14 [#]

Distribution per unit (sen)

- Proposed/Declared	2.00	1.75	2.00	1.75
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¹ Recognition of unbilled lease income receivable pursuant to requirements of MFRS 16 whereby, income from operating leases is to be recognized on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease.

[#] Based on weighted average number of units in issue after the issuance and listing of 10,000,000 units (Note B19)

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Period from 01.01.2024 to 31.03.2024

← Undistributed Income →

	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2024	288,477,719	5,380,935	62,977,477	356,836,131
Operations for the period from - 1 January 2024 to 31 March 2024				
Net income for the period	-	5,345,962	953,190	6,299,152
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	5,345,962	953,190	6,299,152
Unitholders' transactions				
Distributions to unitholders - 2023 Final	-	(4,514,362)	-	(4,514,362)
Increase/ (Decrease) in net assets resulting from unitholders' transactions	-	(4,514,362)	-	(4,514,362)
Net assets as at 31 March 2024	288,477,719	6,212,535	63,930,667	358,620,921

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Period from 01.03.2023 to 31.02.2023

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2023	274,487,719	5,715,803	55,595,201	335,798,723
Operations for the period from -1 January 2023 to 31 March 2023				
Net income for the period	-	4,693,505	652,844	5,346,349
Total comprehensive income	-	4,693,505	652,844	5,346,349
Unitholders' transactions				
Issuance of units via Special Issuance	14,000,000	-	-	14,000,000
Distributions to unitholders				
- 2022 Final	-	(4,855,463)		(4,855,463)
Listing Expenses	(10,000)	-	-	(10,000)
Decrease in net assets resulting from unitholders' transactions	13,990,000	(4,855,463)	-	9,134,537
Net assets as at 31 March 2023	288,477,719	5,553,845	56,248,045	350,279,609

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 2023 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF CASH FLOWS

	Current Year to Date	Preceding Year Corresponding Year to Date
	31.03.2024	31.03.2023
	RM	RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	6,299,152	5,346,349
Adjustments for:		
Interest income	(244,023)	(413,059)
Interest expense	2,885,080	2,798,009
Operating income before working capital changes	8,940,209	7,731,299
Increase in trade and other receivables	(3,599,510)	(2,513,352)
Decrease in trade and other payables	(5,384,157)	(151,668)
Net cash used in/ generated from operating activities	(43,458)	5,066,280
<u>Cash Flow From Investing Activity</u>		
Enhancement of investment property	(4,941,175)	(16,071,061)
Interest income	244,023	413,059
Net cash used in investing activity	(4,697,152)	(15,658,002)
<u>Cash Flow From Financing Activities</u>		
Issuance of units via Special Issuance (less listing expenses)	-	13,990,000
Interest paid	(2,885,080)	(2,798,009)
Distribution to unitholders	(4,514,362)	(4,855,463)
Net cash used in/generated from financing activities	(7,399,442)	6,336,528
Net Decrease in Cash and Cash Equivalents	(12,140,052)	(4,255,195)
Cash and Cash Equivalents at the Beginning of the Period	36,385,377	63,690,100
Cash and Cash Equivalents at the End of the Period	24,245,325	59,434,905
Cash and bank balances	619,132	718,927
Deposits with licensed financial institution	23,626,193	58,715,978
	<u>24,245,325</u>	<u>59,434,905</u>

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 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 March 2024

A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. Basis of Preparation

The quarterly financial report comprises Atrium REIT and its wholly-owned special purpose company, Atrium REIT Capital Sdn. Bhd., a company incorporated in Malaysia, of which the principal activity is to raise financing for and on behalf of Atrium REIT

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting, and paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Second Restated Deed dated 17 December 2019 and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts.

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” or “Trust”) for the year ended 31 December 2023.

A2. Audit Report of Preceding Financial Year Ended 31 December 2023

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 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 equity securities during the current financial quarter.

A7. Income Distribution

During the quarter under review, Atrium REIT paid a fourth and final income distribution of 1.70 sen per unit, amounting to RM4,514,361.56 in respect of the realised income for the period from 1 October 2023 to 31 December 2023 on 29 February 2024.

A8. Segment Reporting

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

A9. Valuation of Property, Plant & Equipment

The carrying value of investment properties as at 31 March 2024 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 December 2023 and subsequent capital expenditure incurred up to the reporting date.

A10. Material Events

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

A11. Effect of Changes in the Fund Size of Atrium REIT

During the quarter under review, there was no change to Atrium REIT's fund size of 265,550,680 units.

A12. Changes in Contingent Liabilities

There is no contingent liability to be disclosed.

B. 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 31 March 2024	Immediate Preceding Quarter As at 31 December 2023
Net asset value (RM)	358,620,921	356,836,131
Units in circulation (units)	265,550,680	265,550,680
Net asset value per unit (RM)		
- before distribution	1.3505	1.3438
- after distribution	1.3305	1.3268
Market price per unit (RM)	1.34	1.38
Highest traded price per unit during the quarter (RM)	1.41	1.41
Lowest traded price per unit during the quarter (RM)	1.33	1.36

Analysis of Changes in Net Asset Value and Net Asset Value/Unit

There were no significant changes in the Net Assets Value and the Net Asset Value per unit for the quarter under review as compared to the preceding quarter.

Quarter Results

During the quarter under review, Atrium REIT registered a rise in gross revenue, increasing from RM9.20 million in the previous corresponding quarter to RM10.90 million. This growth is attributed mainly to the rental income generated from commencement of the lease for the recently completed Atrium Shah Alam 4 property ("ASA4") and step-up in rental rates for some of the existing leases. However, interest income saw a decline due to reduced deposits with licensed bank. This decline is due to lower available funds, primarily because of payments made to contractors for the Asset Enhancement Initiative at ASA4.

The property operating expenses were significantly higher for the current quarter due to additional provisions for the scheduled repair and maintenance works to be carried out during the year. The trust expenses for the current quarter marked an increase compared to the corresponding preceding quarter. This increase was primarily driven by higher Manager's fees, Trustee's fees, and finance costs. The increase in Manager's fees and Trustee's fees resulted from the increased Net Assets Value following funds raised from special issuance exercise carried out in the first quarter of 2023. Additionally, the increase in finance costs was attributed to a 25-basis-point hike in the Overnight Policy Rate ("OPR") in May 2023.

Despite the decrease in other income and an increase in the expenses, the net income (realized) for the quarter saw a 13.90% increase to RM5.35 million compared to the corresponding preceding quarter.

B4. Comparison with Preceding Quarter

	Current Quarter 01.01.2024 To 31.03.2024 RM	Preceding Quarter 01.10.2023 To 31.12.2023 RM
Gross revenue	10,896,197	9,443,195
Unbilled lease income receivable	953,190	543,150
	11,849,387	9,986,345
Property expenses	(1,197,963)	(1,128,089)
Net property income	10,651,424	8,858,256
Interest income	244,023	338,842
Other income	1,207	76,576
Change in fair value of investment properties	-	6,201,405
Total income	10,896,654	15,475,079
Trust expenses	(4,597,502)	(4,413,038)
Income before taxation	6,299,152	11,062,041
Taxation	-	(1,280,000)
Net income	6,299,152	9,782,041
 Net income for the financial quarter is made up as follows:		
-Realised income	5,345,962	4,317,486
-Unrealised income	953,190	5,464,555
	6,299,152	9,782,041

Atrium REIT's net income (realised) for the quarter ended 31 March 2024 was notably higher compared to the preceding quarter due mainly to higher gross revenue arising from rental income generated from ASA4, although there were decrease in interest income and an increase in expenses as compared to the preceding quarter.

B5. Maintenance Costs and Major Capital Expenditure

A total of RM4,941,175 capital expenditure was incurred during the quarter under review. Of this amount, RM4,800,000 was incurred for the extension of the land lease for Atrium Bayan Lepas 2 (ABL2) while the balance was for the Asset Enhancement Initiative at ASA4.

B6 (a) Economic Outlook

On 16 February 2024, Bank Negara Malaysia released the Economic and Financial Developments in Malaysia for the fourth quarter of 2023:

The economy grew by 3% in the fourth quarter

The Malaysian economy expanded by 3% in the fourth quarter of 2023 (3Q 2023: 3.3%; 2Q 2023: 2.9%). Household spending remained supported by improving labour market conditions and easing cost pressures. The unemployment rate declined to the pre-pandemic level of 3.3% while the labour force participation rate was at a historic high in 2023. Meanwhile, growth in investment activity was underpinned by the progressive realisation of multi-year projects and capacity expansion by firms. Exports, however, remained subdued due to prolonged weakness in external demand amid stronger imports. On the supply side, there was a broad-based expansion. The commodities sector grew. This was supported by higher oil and gas production as well as expansion in the agriculture sector amid

improved labour supply. The services and construction sectors continued to expand. The manufacturing sector remained soft from continued weakness in the electrical and electronics industry. In terms of monthly GDP, December recorded a growth of 1.4%, lower than November (3.8%) and October (3.9%), attributed mainly to the shorter school holiday period during the month and weaker export-oriented manufacturing sector. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted by 2.1% (3Q 2023: +2.6%).

Overall, the 2023 growth for the Malaysian economy normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%). Growth moderated amid a challenging external environment. This was due mainly to slower global trade, the global tech downcycle, geopolitical tensions and tighter monetary policies. On the domestic front, despite the lapse of large policy support provided as the economy started to open up in 2022, the continued recovery in economic activity and labour market conditions supported growth in 2023. In addition, the solid growth performance of the economy is reinforced by a resilient external position. Despite the challenging external environment, the current account surplus for the year 2023 was sustained at 1.2% of GDP, supported by a diversified export structure across market and product. The strength in external position is also reflected in the external debt, which declined to 68.2% of GDP in 2023 (3Q 2023: 69%), and a higher net international investment position at 6.6% of GDP in 2023 (3Q 2023: 5.2%). Importantly, the external debt remains manageable given the favourable maturity and currency profiles. One-third of the external debt is denominated in ringgit, limiting currency risk, while around 70% of debt have medium and longer-term tenures. Foreign currency borrowings are also subject to Bank Negara Malaysia (BNM)'s prudential requirements and continue to consist mainly of concessionary intragroup loans.

Headline inflation continued to decline to 1.6% during the quarter (3Q 2023: 2%). The downward trend was contributed by the moderation in fresh food inflation (4Q 2023: 0.5%; 3Q 2023: 1.9%) and core inflation (2%; 3Q 2023: 2.5%). The lower core inflation was largely driven by an easing in services sub-segments, including food away from home and repair and maintenance of personal transport. Inflation pervasiveness continued to trend lower, as the share of Consumer Price Index items recording monthly price increases moderated to 36.3% during the quarter (3Q 2023: 40.8%). This brought inflation pervasiveness below its fourth quarter long-term average (2011-2019) of 41.7%. For 2023 as a whole, headline inflation declined to 2.5% (2022: 3.3%) while core inflation averaged at 3% (2022: 3%).

Exchange rate developments

Domestic financial markets continued to be driven by evolving financial market expectations over the global monetary policy path. In particular, financial market participants viewed that the US policy rate had already peaked and that the US Federal Reserve will start reducing the policy rate in 2024 amid the ongoing disinflation.

Against this backdrop, the ringgit appreciated by 2.1% against the US dollar in the fourth quarter of 2023, in line with regional currencies following a broad-based depreciation in the US dollar. Malaysia's external position also remains supportive of inflows. BNM will continue to ensure sufficient liquidity to support the orderly functioning of the domestic foreign exchange market.

Financing conditions

Credit to the private non-financial sector expanded by 4.7% (3Q 2023: 4.3%), driven by higher growth in business loans (3.6%; 3Q 2023: 1.9%) while outstanding corporate bonds growth moderated to 4.2% (3Q 2023: 5%). The higher business loan growth was driven mainly by higher growth in working capital loans. Of note, SME loan growth remained forthcoming (8.2%; 3Q 2023: 7%). For households, outstanding loan growth remained steady at 5.6% (3Q 2023: 5.4%), reflecting sustained growth across key purposes.

Moving forward, Malaysia's growth to improve due to resilient domestic expenditure and recovery in external demand

Growth in 2024 will be driven by resilient domestic expenditure and improvement in external demand. On the external front, the IMF is projecting a rebound in global trade growth from 0.4% in 2023 to 3.3% in 2024. Together with the tech upcycle, the stronger external demand and continued

improvement in the tourism sector will provide support to Malaysia's exports. On the domestic front, household spending will be supported by continued employment and wage growth. Investment activity will be underpinned by further progress of multi-year projects, by both the private and public sectors, as well as the implementation of catalytic initiatives under the various national master plans. Improvement in tourist arrivals and spending are expected to continue. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand and larger declines in commodity production. Nonetheless, there are upside risks to growth emanating from greater spillover from the tech upcycle, stronger-than-expected tourism activity and faster implementation of existing and new projects.

Headline and core inflation to remain modest in 2024

Both headline and core inflation have moderated due mainly to lower cost pressures amid stabilising demand conditions. In 2024, inflation is expected to remain modest, broadly reflecting stable cost and demand conditions. However, inflation outlook remains highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(source: https://www.bnm.gov.my/-/qb23q4_en_pr)

B6 (b) Prospects

As of 31 March 2024, the Trust's property portfolio achieved 100% occupancy rate.

The Manager remains cautious owing to the uncertainties surrounding the economic rebound amid the global economic slowdown, inflationary pressures, the on-going wars and geopolitical risks. Despite these uncertainties and the challenging market environment, the Manager is of the view that Atrium REIT's property portfolio will remain resilient and is expected to continue delivering sustainable performance throughout the financial year of 2024.

B7. Portfolio Composition

As at 31 March 2024, the portfolio composition of Atrium REIT is as follows:

Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 31 March 2024	Date of Valuation	Cost of Investment	Latest valuation	Net Book Value (A)	Percentage of (A) over Net Assets Value
		%		RM'000	RM'000	RM'000	%
Atrium Shah Alam 1	Freehold	100	27 November, 2023	60,003	100,000	100,000	28%
Atrium Shah Alam 2	Freehold	100	27 November, 2023	64,495	88,300	88,300	25%
Atrium Shah Alam 3	Freehold	100	28 November, 2023	31,544	30,500	30,500	9%
Atrium Shah Alam 4	Leasehold	100	28 November, 2023	118,401	102,300	102,442	29%
Atrium Puchong	Freehold	100	30 November, 2023	39,044	61,700	61,700	17%
Atrium USJ	Freehold	100	27 November, 2023	25,000	40,900	40,900	11%
Atrium Bayan Lepas 1	Leasehold	100	29 November, 2023	50,372	50,000	50,000	14%
Atrium Bayan Lepas 2	Leasehold	100	29 November, 2023	132,440	122,000	126,800	35%
				521,299	595,700	600,642	

B8. Utilisation of Proceeds Raised from Issuance of New Units

B8.1 Rights Issue of 58,464,480 units

Purpose	Proposed Utilisation RM (million)	Actual Utilisation RM (million)	Deviation RM (million)	Balance		Intended Time Frame for Utilisation
				RM (million)	%	
Part finance proposed acquisition of ABL1 & ABL2 and its related expenses	58.2	45.5	-	12.7	21.8	#By 30 June 2024
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Completed
Total	59.6	46.9	-	12.7	21.3	

#The Board of the Manager has resolved to utilize the balance of the proceeds for the extension of the tenure of land leases for ABL 1 & ABL 2. During the quarter under review, the extension of the land lease for ABL 2 was successfully completed. Meanwhile, the extension process for ABL 1 is still ongoing with the Manager actively working towards the completion of the extension by 30 June 2024. In view of this, the Board has on 29 January 2024 resolved to extend the utilization of the funds to 30 June 2024.

B8.2 Private Placement and Special Issuance 60,925,000 units

Purpose	Proposed Utilisation RM (million)	Actual Utilisation RM (million)	Deviation RM (million)	Balance		Intended Time Frame for Utilisation
				RM (million)	%	
Part finance proposed AEI of ASA4@Sek 16, Shah Alam and its related expenses	84.4	73.7	-	10.7	12.7	#By 30 June 2024
Defray estimated expenses relating to the Private Placement	0.9	0.9	-	-	-	Completed
Total	85.3	74.6	-	10.7	12.7	

The Board has on 29 January 2024 resolved to extend the utilization of the funds to 30 June 2024 pending the finalization of the final accounts and the release of the retention sums.

B9. Status of Corporate Proposal

On 6 February 2024, Atrium REIT has obtained the approval of its unitholders to acquire a leasehold land held under title no. H.S.(D) 324738, PT -, Tempat Industrial Site at Batu Tiga, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring 24,295.208 square metres together with all the buildings and structures erected thereon for a total cash consideration of RM41.00 million. The Manager is in the midst of completing the Sales and Purchase Agreement.

B10. Material Litigation

B10.1 Litigation case with S L Ng Trading Agency Sdn Bhd

High Court of Malaya at Kuala Lumpur
Writ of Summons no.: WA-22NCvc-730-12/2022

S L Ng Trading Agency Sdn Bhd ...Plaintiff

Pacific Trustees Berhad ...Defendant
(acting as Trustee on behalf of Atrium REIT)

The Trustee of Atrium REIT (“Trustee”) was served with a Writ of Summons and Statement of Claim on 29 December 2022 (“Writ”), by S L Ng Trading Agency Sdn Bhd, a prospective tenant of Atrium REIT (“Plaintiff”) through its Solicitors, Messrs C. S. Tam & Co. (“Plaintiff’s Claim”).

The Plaintiff’s Claim is in respect of the following:-

1. Specific Performance based on the terms stipulated in the draft Tenancy Agreement, prepared by the Solicitors, Messrs C. S. Tam & Co. on 7 September 2022;
2. The Defendant is required to sign the Tenancy Agreement stated in item (a) above within seven (7) days from the date of the Order;
3. Regardless of whether or not the Tenancy Agreement is signed by the Defendant, the Defendant is ordered to complete the construction of the building in accordance with the Plaintiff’s specification and deliver the vacant possession to the Plaintiff on or before 31 March 2023;
4. The Defendant shall pay the damages to be assessed in addition to or alternatively in lieu of specific performance for the breach of contract;
5. The interest on the awarded damages at the rate of 8% per annum from the date of Writ until full settlement;
6. Costs; and
7. Such other reliefs that the court deems expedient

On 29 February 2024, which was prior to the trial dates on 4 and 5 March 2024, the Plaintiff has filed a Notice of Discontinuation at the Kuala Lumpur High Court to discontinue the legal proceedings with a compensation of RM10,000 cost to the Defendant. The Defendant has refunded the balance deposit of RM 306,748 to the Plaintiff after deduction of the afore-mentioned cost on 5 March 2024.

The conclusion of the case did not have significant financial or operational impact on Atrium REIT for the financial year ending 31 December 2024.

With the conclusion of the above litigation case, Atrium REIT will cease to update the status of this litigation case in the next quarterly 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 Atrium REIT.

B12. Revenue Recognition

Rental and interest income are recognized on an accrual basis.

B13. Receivables, Deposits and Prepayments

	As at 31 March 2024 RM	As at 31 December 2023 RM
Trade receivables		
Third parties	693,712	3,226
Less: Impairment losses	-	-
Total trade receivables	693,712	3,226
Other receivables, deposits and prepayments	13,587,876	10,834,754
Receivables, Deposits and Prepayments	14,281,588	10,837,980

Ageing analysis of trade receivables

	Total Due (RM)	0 – 15 days (RM)	16 – 30 days (RM)	31 – 45 days (RM)	> 45 days (RM)
Related Parties	-	-	-	-	-
Non-Related Parties	693,712	695	305,957	3,752	383,308
Total	693,712	695	305,957	3,752	383,308

B14. Manager's Fees

The Manager received a fee of 1.0% per annum of the NAV of the Trust during the quarter under review.

B15. Trustee's Fees

The Trustee received a fee of 0.1% per annum of the NAV of the Trust during the quarter under review.

B16. Borrowings and Debt Securities

	As at 31 March 2024 RM	As at 31 December 2023 RM
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	-	1,002,670
<u>Long Term Financing (secured)</u>		
Term Loan	20,000,000	20,000,000
Term Loan 2	10,765,288	10,765,288
Term Loan 3	18,400,000	18,400,000
Term Loan 4	4,065,842	4,065,842
Medium Term Notes		
- Tranche 1	35,000,000	35,000,000
- Tranche 2	87,000,000	87,000,000
- Tranche 3	36,000,000	36,000,000
Total	250,831,130	251,833,800

B17. Taxation

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2024, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006. Thus, Atrium REIT is not expected to incur any tax expenses for the financial year and as such, has not provided any tax expense for this current financial quarter.

B18. Distribution to Unitholders

For the current quarter ended 31 March 2024, the Manager has declared a first income distribution of 2.00 sen per unit, amounting to RM5,311,013.60. The book closure and payment dates in respect of the first income distribution have been fixed on 16 May 2024 and 4 June 2024 respectively.

Distributions to unitholders are from the following sources:

	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	31.03.24	31.03.23	31.03.24	31.03.23
	RM	RM	RM	RM
Rental income (realised)	10,896,197	9,198,224	10,896,197	9,198,224
Interest income	244,023	413,059	244,023	413,059
Other income	1,207	827	1,207	827
Total income	11,141,427	9,612,110	11,141,427	9,612,110
Property operating expenses	(1,197,963)	(630,199)	(1,197,963)	(630,199)
Trust expenses	(4,597,502)	(4,288,406)	(4,597,502)	(4,288,406)
Total Expenses	(5,795,465)	(4,918,605)	(5,795,465)	(4,918,605)
Realised income before taxation	5,345,962	4,693,505	5,345,962	4,693,505
Taxation	-	-	-	-
Realised income for the period	5,345,962	4,693,505	5,345,962	4,693,505
Undistributed realised income				
- Previous year's	866,575	860,341	866,575	860,341
- Previous quarter's	-	-	-	-
Total realised income available for distribution	6,212,537	5,553,846	6,212,537	5,553,846
Declared income distribution	(5,311,014)	(4,647,137)	(5,311,014)	(4,647,137)
Balance undistributed realised income	901,523	906,709	901,523	906,709
Distribution per unit (sen)				
- Declared	2.00	1.75	2.00	1.75

B.19 Earnings Per Unit

	Current Year Quarter ended 31 March 2024	Corresponding Quarter ended 31 March 2023
Units in circulation (units)	265,555,680	265,555,680
Weighted average units in circulation (units)	265,550,680	258,217,347
Net Income for the period (including unrealised income) (RM)	6,299,152	5,346,349
Net Income for the period (realised) (RM)	5,345,962	4,693,505
Earnings/ per unit (including unrealised income) (sen)		
- after Manager's fees	2.37	2.07
- before Manager's fees	2.71	2.40
Earnings per unit (realised) (RM)		
- after Manager's fees	2.01	1.82
- before Manager's fees	2.35	2.14

B20. Responsibility Statement

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 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 Atrium REIT as at 31 December 2023 and of its financial performance and cash flows for the quarter/ period ended on that date and duly authorised for release by the Board of the Manager on 30 April 2024.

By Order of the Board

WONG SUI EE
Executive Director
Atrium REIT Managers Sdn Bhd
Registration No: 200501028391 (710526-V)
(As the Manager of Atrium Real Estate Investment Trust)
Kuala Lumpur
Dated: 30 April 2024