



ATRIUM REAL ESTATE INVESTMENT TRUST

Condensed Financial Statements

First Quarter Ended 31 March 2022

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ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited)	(Audited)
	As at	As at
	31.03.2022	31.12.2021
	RM	RM
ASSETS		
Non-current asset		
Investment properties	508,085,613	502,875,648
Investment properties – accrued lease income	6,824,352	6,824,352
	514,909,965	509,700,000
Current assets		
Trade and other receivables	8,376,702	6,327,813
Deposits with a licensed bank	21,155,067	22,745,492
Bank balances	698,174	1,769,567
	30,229,942	30,842,872
TOTAL ASSETS	545,139,907	540,542,872
LIABILITIES		
Non-current liabilities		
Tenants’ deposits	12,454,865	12,454,863
Borrowings	211,231,130	211,231,130
Deferred tax liability	7,473,786	7,473,786
	231,159,781	231,159,779
Current liabilities		
Tenants’ deposits	865,974	865,974
Trade and other payables	692,719	1,612,474
Borrowings	49,040,057	43,815,032
	50,598,749	46,293,480
TOTAL LIABILITIES	281,758,530	277,453,259
NET ASSET VALUE (“NAV”)	263,381,378	263,089,613
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	204,129,835	204,129,835
Undistributed income	59,251,543	58,959,778
TOTAL UNITHOLDERS’ FUNDS	263,381,378	263,089,613
NUMBER OF UNITS IN CIRCULATION	204,625,680	204,625,680
NAV PER UNIT (RM)		
- before income distribution	1.2871	1.2857
- after income distribution (Note 1)	1.2651	1.2602

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2021 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 2022 of 2.20 sen per unit payable on 2 June 2022.)*

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

	Individual Quarter		Cumulative Quarter	
	Current Year to Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year to Date
	31.03.2022 RM	31.03.2021 RM	31.03.2022 RM	31.03.2021 RM
Gross revenue	8,690,434	8,821,842	8,690,434	8,821,842
Unbilled lease income receivable	818,047	826,048	818,047	826,048
Property operating expenses	9,508,481 (618,040)	9,647,890 (554,107)	9,508,481 (618,040)	9,647,890 (554,107)
Net rental income	8,890,441	9,093,783	8,890,441	9,093,783
Interest income	99,483	105,168	99,483	105,168
Other income	-	200,000	-	200,000
Total income	8,989,924	9,398,951	8,989,924	9,398,951
Trust expenses				
Manager's fees	(645,225)	(521,050)	(645,225)	(521,050)
Trustee's fees	(64,522)	(52,105)	(64,522)	(52,105)
Auditors' fees	(9,450)	(9,000)	(9,450)	(9,000)
Tax agent's fees	(2,410)	(1,370)	(2,410)	(1,370)
Finance costs	(2,172,292)	(1,643,763)	(2,172,292)	(1,643,763)
Administrative expenses	(551,306)	(550,534)	(551,306)	(550,534)
Others	(35,000)	(88,900)	(35,000)	(88,900)
Total Expenses	(3,480,205)	(2,866,722)	(3,480,205)	(2,866,722)
Income/(loss) before taxation	5,509,719	6,532,229	5,509,719	6,532,229
Taxation	-	-	-	-
Net income/(loss) for the period	5,509,719	6,532,229	5,509,719	6,532,229

**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
	31.03.2022	31.03.2021	31.03.2022	31.03.2021
	RM	RM	RM	RM
Total comprehensive income/(loss) for the period	5,509,719	6,532,229	5,509,719	6,532,229
Net income/(loss) for the period is made up as follows:				
-Realised Income	4,691,672	5,706,181	4,691,672	5,706,181
-Unrealised - Unbilled lease income receivable ¹	818,047	826,048	818,047	826,048
	5,509,719	6,532,229	5,509,719	6,532,229

Earnings/(loss) per unit (including unrealised income/(loss)) (sen)

- after manager's fees	2.69	3.19	2.69	3.19
- before manager's fees	3.01	3.45	3.01	3.45

Earnings per unit (realised) (sen)

- after manager's fees	2.29	2.79	2.29	2.79
- before manager's fees	2.61	3.04	2.61	3.04

Distribution per unit (sen)

- Proposed/Declared	2.20	2.50	2.20	2.50
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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.

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 2021 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 01.01.2022 to 31.03.2022

← Undistributed Income →

	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2022	204,129,835	6,087,958	52,871,820	263,089,613
Operations for the period from				
- 1 January 2022 to 31 March 2022				
Net income/(loss) for the period	-	4,691,672	818,047	5,509,719
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	4,691,672	818,047	5,509,719
Unitholders' transactions				
Distributions to unitholders	-	(5,217,955)	-	(5,217,955)
- 2021 final	-	(5,217,955)	-	(5,217,955)
Decrease in net assets resulting from unitholders' transactions	-	(5,217,955)	-	(5,217,955)
Net assets as at 31 March 2022	204,129,835	5,561,676	53,689,867	263,381,378

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE (AUDITED)
For The Period from 01.01.2021 to 31.03.2021

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2021	204,129,835	6,985,759	54,640,642	265,756,236
Operations for the period from -1 January 2021 to 31 March 2021				
Net income for the period	-	5,706,181	826,048	6,532,229
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	5,706,181	826,048	6,532,229
Unitholders' transactions				
Distributions to unitholders - 2020 final	-	(6,138,770)	-	(6,138,770)
Decrease in net assets resulting from unitholders' transactions	-	(6,138,770)	-	(6,138,770)
Net assets as at 31 March 2021	204,129,835	6,553,170	55,466,690	266,149,695

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 2021 and the accompanying explanatory notes attached to the financial statements.

**ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS**

	(Unaudited) Current Year to Date 31.03.2022 RM	(Audited) Preceding Year Corresponding Quarter 31.03.2021 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	5,509,719	6,532,229
Adjustments for:		
Interest income	(99,483)	(105,168)
Interest expense	2,172,292	1,643,763
Operating income before working capital changes	7,582,528	8,070,824
(Increase)/ Decrease in trade and other receivables	(2,048,889)	1,106,890
(Decrease)/ Increase in trade and other payables	(919,755)	2,000,511
Net cash generated from operating activities	4,613,884	11,178,225
<u>Cash Flow From Investing Activity</u>		
Acquisition of investment property	-	(9,000,000)
Enhancement of investment property	(5,209,963)	-
Interest income	99,483	105,168
Net cash used in investing activity	(5,110,480)	(8,894,832)
<u>Cash Flow From Financing Activities</u>		
Interest paid	(2,172,292)	(1,643,763)
Distribution to unitholders	(5,217,955)	(6,138,770)
Net cash used in financing activities	(7,390,247)	(7,782,533)
Net Decrease in Cash and Cash Equivalents	(7,886,843)	(5,499,140)
Cash and Cash Equivalents at the Beginning of the Period	20,300,027	31,246,957
Cash and Cash Equivalents at the End of the Period	12,413,184	25,747,817
Cash and bank balances	698,174	2,115,148
Deposits with licensed financial institution	21,155,067	23,632,669
Bank overdraft	(9,440,057)	-
	12,413,184	25,747,817

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2021 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 2022

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 2021.

A2. Audit Report of Preceding Financial Year Ended 31 December 2021

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 final distribution of 2.55 sen per unit, amounting to RM5,115,642 in respect of the realised income for the period from 1 October 2021 to 31 December 2021 on 28 February 2022.

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 2022 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 December 2021 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 204,625,680 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 2022	Immediate Preceding Quarter As at 31 December 2021
Net asset value (RM)	263,381,378	263,089,613
Units in circulation (units)	204,625,680	204,625,680
Net asset value per unit (RM)		
- before distribution	1.2871	1.2857
- after distribution	1.2651	1.2602
Market price per unit (RM)	1.48	1.50
Highest traded price per unit during the quarter (RM)	1.50	1.51
Lowest traded price per unit during the quarter (RM)	1.44	1.42

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

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

Quarter Results

For the quarter under review, Atrium REIT reported a slightly lower gross revenue of RM8.69 million compared to the corresponding preceding quarter of RM8.82 million, mainly due to rent free amortization adjustment during the current quarter. Net income (realised) for the quarter reduced by 17.78% to RM4.7 million, mainly due to lower other income and higher property and trust expenses.

The increase in property expenses was mainly due to the additional property expenses from Atrium Shah Alam 4 ("ASA4").

The trust expenses for current quarter is higher compared to the corresponding preceding quarter due to the increase in Managers' fees, Trustees' fees and finance costs. The Managers' fees and Trustees' fees for the current quarter were higher as a result of an increase in both the fees with effect from 1 August 2021. Finance costs increased due to MTN Tranche 3 which was issued to finance the acquisition of ASA4.

B4. Comparison with Preceding Quarter

	Current Quarter 01.01.2022 To 31.03.2022 RM	Preceding Quarter 01.10.2021 To 31.12.2021 RM
Gross revenue	8,690,434	8,993,222
Unbilled lease income receivable	818,047	849,551
	<hr/> 9,508,481	<hr/> 9,842,773
Property expenses	(618,040)	(770,858)
Net property income	<hr/> 8,890,441	<hr/> 9,071,915
Interest income	99,483	235,440
Other income	-	22,339
Total income	<hr/> 8,989,924	<hr/> 9,329,694
Trust expenses	(3,480,205)	(4,425,780)
Change in fair value of investment properties	-	(5,189,083)
Income/ (loss) before taxation	<hr/> 5,509,719	<hr/> (285,169)
Taxation	-	(80,844)
Net income/ (loss)	<hr/> 5,509,719	<hr/> (366,013)
 Net income for the financial quarter is made up as follows:		
-Realised income	4,691,672	4,054,363
-Unrealised income/ (loss)	818,047	(4,420,376)
	<hr/> 5,509,719	<hr/> (366,013)

Atrium REIT's net income (realised) for the quarter ended 31 March 2022 was higher compared to the preceding quarter due mainly to the lower property expenses and trust expenses. The decrease in the property expenses was due to lower repair and maintenance costs in the current quarter whilst the decrease in trust expenses was mainly due to lower finance costs in the current quarter.

B5. Maintenance Costs and Major Capital Expenditure

A total of RM5,209,963 capital expenditure was mainly incurred for the enhancement of Atrium Shah Alam 4 ("ASA4"), which is to upgrade the existing factory building to a grade A warehouse facility ("AEI"). The AEI has commenced and is targeted to be completed by 4th quarter of 2022.

B6 (a) Economic Outlook

On 3 March 2022, the Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 1.75 percent.

The global economy continues to recover. Despite the recent moderation in economic activity due to the Omicron-driven COVID-19 resurgences, the overall recovery trajectory remains on track. Inflation in many economies remain elevated, due to both demand and supply factors. Going forward, more countries will transition to endemic management of COVID-19, hence supporting global growth prospects. The unfolding developments surrounding the military conflict in Ukraine, however, have emerged as a key risk to global growth and trade prospects, commodity prices and financial market conditions. The global growth outlook will also continue to be affected by developments surrounding COVID-19, risks of prolonged global supply disruptions, and heightened financial market volatility amid adjustments in monetary policy in major economies.

Despite the challenging environment, the Malaysian economy expanded by 3.1% in 2021. Looking ahead, the growth recovery will strengthen in 2022, driven by the expansion in global demand and higher private sector expenditure, amid improvements in the labour market and continued targeted policy support. The expected reopening of international borders would also provide further support to economic recovery. The economic impact from the recent increase in COVID-19 cases due to the Omicron variant is expected to be considerably less severe than previous waves in the absence of stringent restrictions. Risks to the growth outlook remain tilted to the downside due to external and domestic factors. These include a weaker-than-expected global growth, ongoing geopolitical conflicts, worsening supply chain disruptions, and developments surrounding COVID-19.

Headline inflation in 2022 is projected to remain moderate as the base effect from fuel inflation continues to dissipate. Underlying inflation, as measured by core inflation, is expected to normalise to around its long-term average as economic activity continues to pick up amid the environment of high input costs. Nevertheless, core inflation is expected to be modest, with the upside risk partly contained by the continued slack in the economy and labour market. The inflation outlook continues to be subject to global commodity price developments amid risks from prolonged supply-related disruptions.

The MPC considers the current stance of monetary policy to be appropriate and accommodative. Fiscal and financial measures will continue to provide support to economic activity. Amid the prevailing uncertainties, the stance of monetary policy will continue to be determined by new data and their implications on the overall outlook for domestic inflation and growth.

(Source: Bank Negara Malaysia)

B6 (b) Prospects

The Manager remains cautious due to the uncertainties surrounding the economic recovery as a result of the current Covid-19 endemic and inflationary pressures. Despite the uncertainties and the challenging market conditions, Atrium REIT's portfolio of properties remain resilient and is expected to continue delivering sustainable performance for 2022.

The occupancy rate for the Trust's portfolio of properties as at 31 March 2022 was 100% save and except Atrium Shah Alam 4 ("ASA4"), which is untenanted as the Manager is undertaking a major Asset Enhancement Initiative to upgrade the existing factory building to a grade A warehouse facility ("AEI"). The AEI has commenced and is targeted to be completed by 4th quarter of 2022.

B7. Portfolio Composition

As at 31 March 2022, the portfolio composition of Atrium REIT is as follows:

Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 31.03.2022 %	Date of Valuation	Cost of Investment RM'000	Latest valuation RM'000	Net Book Value (A) RM'000	Percentage of (A) over Net Assets Value %
Atrium Shah Alam 1	Freehold	100	02.11.2021	60,004	91,800	91,913	34.9
Atrium Shah Alam 2	Freehold	100	02.11.2021	64,143	78,900	78,932	30.0
Atrium Shah Alam 3	Freehold	100	02.11.2021	31,516	29,600	29,600	11.2
Atrium Shah Alam 4	Leasehold	0	02.11.2021	46,836	45,300	50,478	19.3
Atrium Puchong	Freehold	100	02.11.2021	39,044	53,400	53,400	20.3
Atrium USJ	Freehold	100	02.11.2021	25,000	38,200	38,087	14.5
Atrium Bayan Lepas 1	Leasehold	100	06.12.2021	50,371	51,000	51,000	19.4
Atrium Bayan Lepas 2	Leasehold	100	07.12.2021	132,440	121,500	121,500	46.1
				449,354	509,700	514,910	

B8. Utilisation of Proceeds Raised from Issuance of New Units

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 (from date of listing)
				RM (million)	%	
Part finance proposed acquisition of Lumileds properties and its related expenses	58.2	39.0	-	19.2	33.0	Within 39 months [#]
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Within 1 month
Total	59.6	40.4	-	19.2	32.2	

The Board of the Manager has resolved to utilize the balance of the proceeds for the extension of the tenure of land leases for Atrium Bayan Lepas 1 & 2. The extension process for the said land leases which were expected to be completed by December 2021 could not be completed as a result of the delays and disruptions caused by the imposition of the Movement Control Order to control the pandemic. In view of this, the Board has resolved to extend the timeframe for the utilisation of proceeds to 31 December 2022.

B9. Status of Corporate Proposal

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 save and except the following:

Shah Alam Sessions Court
Suit No: BA-B52NCvC-160-06/2021

Marelli Asia Pacific Sdn Bhd ...Plaintiff

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

The Trustee was served with a Writ of Summons and Statement of Claim on 23 June 2021, and the Judgement on 14 July 2021 by Marelli Asia Pacific Sdn Bhd, a former tenant of Atrium REIT through its Solicitors, Messrs Lum Kok Kiong & Co. ("Plaintiff's Claim"). The Plaintiff's Claim is in respect of a dispute on the refund of deposits by Atrium REIT to the Plaintiff upon expiration of the lease agreement between the parties. Pursuant to the Judgement dated 7 July 2021, Atrium REIT is liable to pay the Plaintiff the following: -

(a) The sum of RM562,493.46;

(b) The interest at the rate of 8% per annum on the sum of RM562,493.46, calculated on a daily basis from 15 June 2021 until the date of full settlement; and

(c) The costs of RM1,276.00 together with interest thereon at the rate of 5% per annum from the date of judgement until the date of full settlement.

The Trustee has engaged a legal counsel on the recommendation of the Manager and will take the necessary legal action to defend Atrium REIT's position.

On 3 January 2022, the Shah Alam High Court ("High Court") has given the following directions during case management in regards to our appeal:

1. Written Submission to be filed on 19 January 2022;
2. Submission in Reply to be filed on 9 February 2022; and
3. Hearing date is fixed on 16 February 2022.

On 6 January 2022, the Sessions Court Judge has granted a conditional stay of the execution of the Judgment, on the condition that the Judgment sum is paid to the Plaintiff's solicitors as stakeholder pending the High Court appeal. The Sessions Court further ordered that the Judgment sum be paid into the Plaintiff's solicitors' clients' account within 2 weeks from the date thereof, and fixed the matter for further case management on 28 January 2022.

On 16 February 2022, the hearing of our appeal application at the High Court was adjourned to 11 March 2022 for the High Court to deliver its decision. The High Court subsequently dismissed the appeal with costs of RM4,000.00.

The Trustee has filed an appeal at the Court of Appeal and on 8 April 2022, the Court of Appeal has fixed for case management via e-review on 23 May 2022.

The Manager is of the view that the outcome of this claim is not expected to have a material financial or operational impact on Atrium REIT for the financial year ending 31 December 2022.

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 2022 RM	As at 31 December 2021 RM
Trade receivables		
Third parties	18,824	8,950
Less: Impairment losses	-	-
Total trade receivables	18,824	8,950
Other receivables, deposits and prepayments	8,357,878	6,318,863
Receivables, Deposits and Prepayments	8,376,702	6,327,813

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	18,824	4,800	-	-	14,024
Total	18,824	4,800	-	-	14,024

B14. Manager’s Fees

Pursuant to the Second Restated Deed dated 17 December 2019, the Manager is entitled to receive a fee of up to 1.0% per annum of the Net Asset Value (“NAV”) of the Trust. The Manager received a fee of 1.0% per annum of the NAV of the Trust with effect from 1 August 2021, as compared to 0.8% previously.

B15. Trustee’s Fees

The Trustee received a fee of 0.1% per annum of the NAV of the Trust with effect from 1 August 2021, as compared to 0.08% previously.

B16. Borrowings and Debt Securities

	As at 31 March 2022 RM	As at 31 December 2021 RM
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	9,440,057	4,215,032
<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
	260,271,187	255,046,162

B17. Taxation

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the first quarter of financial year 2022, 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 2022, the Manager has declared a first interim income distribution of 2.20 sen per unit, amounting to RM4,501,765. The book closure and payment dates in respect of the first interim income distribution have been fixed on 19 May 2022 and 2 June 2022 respectively.

Distributions to unitholders are from the following sources:

	Current Year Quarter 31.03.22 RM	Preceding Year Corresponding Quarter 31.03.21 RM	Current Year Quarter 31.03.22 RM	Preceding Year Corresponding Quarter 31.03.21 RM
Rental income (realised)	8,690,434	8,821,842	8,690,434	8,821,842
Interest income	99,483	105,168	99,483	105,168
Other income	-	200,000	-	200,000
Reversal of impairment loss on trade receivables	-	-	-	-
Total income	8,789,917	9,127,010	8,789,917	9,127,010
Property operating expenses	(618,040)	(554,107)	(618,040)	(554,107)
Trust expenses	(3,480,205)	(2,866,722)	(3,480,205)	(2,866,722)
Total Expenses	(4,098,245)	(3,420,829)	(4,098,245)	(3,420,829)
Realised income before taxation	4,691,672	5,706,181	4,691,672	5,706,181
Taxation	-	-	-	-
Realised income for the period	4,691,672	5,706,181	4,691,672	5,706,181
Undistributed realised income				
- Previous year's	870,003	846,989	870,003	846,989
- Previous quarter's	-	-	-	-
Total realised income available for distribution	5,561,675	6,553,170	5,561,675	6,553,170
Proposed/declared income distribution	(4,501,765)	(5,115,642)	(4,501,765)	(5,115,642)
Balance undistributed realised income	1,059,910	1,437,528	1,059,910	1,437,528
Distribution per unit (sen)	2.20	2.50	2.20	2.50
- Proposed/Declared				

B.19 Earnings Per Unit

	Current Year Quarter ended 31 March 2022	Corresponding Quarter ended 31 March 2021
Units in circulation (units)	204,625,680	204,625,680
Net Income/(loss) for the period (including unrealised income/(loss)) (RM)	5,509,719	6,532,229
Net Income for the period (realised) (RM)	4,691,672	5,706,181
Earnings/(loss) per unit (including unrealised income/(loss)) (sen)		
- after manager's fees	2.69	3.19
- before manager's fees	3.01	3.45
Earnings per unit (realised) (RM)		
- after Manager's fees	2.29	2.79
- before Manager's fees	2.61	3.04

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 March 2022 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 28 April 2022.

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: 28 April 2022