



# ATRIUM REAL ESTATE INVESTMENT TRUST

## Condensed Financial Statements

**First Quarter Ended 31 March 2023**

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**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As at 31.03.2023 RM	(Audited) As at 31.12.2022 RM
<b>ASSETS</b>		
<b>Non-current asset</b>		
Investment properties	548,946,740	532,875,679
Investment properties – accrued lease income	9,924,321	9,924,321
	<u>558,871,061</u>	<u>542,800,000</u>
<b>Current assets</b>		
Trade and other receivables	7,094,939	6,109,761
Deposits with a licensed bank	58,715,978	47,947,417
Bank balances	718,927	15,742,683
	<u>66,529,844</u>	<u>69,799,861</u>
<b>TOTAL ASSETS</b>	<u>625,400,905</u>	<u>612,599,861</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Tenants’ deposits	11,517,177	11,042,109
Borrowings	211,231,130	211,231,130
Deferred tax liability	8,955,745	8,955,744
	<u>231,704,052</u>	<u>231,228,983</u>
<b>Current liabilities</b>		
Trade and other payables	3,817,243	5,972,155
Borrowings	39,600,000	39,600,000
	<u>43,417,243</u>	<u>45,572,155</u>
<b>TOTAL LIABILITIES</b>	<u>275,121,295</u>	<u>276,801,138</u>
<b>NET ASSET VALUE (“NAV”)</b>	<u>350,279,609</u>	<u>335,798,723</u>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS’ FUNDS</b>		
Unitholders’ capital	288,477,719	274,487,719
Undistributed income	61,801,890	61,311,004
<b>TOTAL UNITHOLDERS’ FUNDS</b>	<u>350,279,609</u>	<u>335,798,723</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>265,550,680</u>	<u>255,550,680</u>
<b>NAV PER UNIT (RM)</b>		
- before income distribution	1.3191	1.3140
- after income distribution (Note 1)	1.3016	1.2950

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2022 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 2023 of 1.750 sen per unit payable on 31 May 2023.)

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year to Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year to Date</b>	<b>Preceding Year to Date</b>
	<b>31.03.2023</b>	<b>31.03.2022</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Gross revenue	9,198,224	8,690,434	9,198,224	8,690,434
Unbilled lease income receivable	652,844	818,047	652,844	818,047
	9,851,068	9,508,481	9,851,068	9,508,481
Property operating expenses	(630,199)	(618,040)	(630,199)	(618,040)
<b>Net rental income</b>	<b>9,220,869</b>	<b>8,890,441</b>	<b>9,220,869</b>	<b>8,890,441</b>
Interest income	413,059	99,483	413,059	99,483
Other income	827	-	827	-
<b>Total income</b>	<b>9,634,755</b>	<b>8,989,924</b>	<b>9,634,755</b>	<b>8,989,924</b>
<b>Trust expenses</b>				
Manager's fees	(838,477)	(645,225)	(838,477)	(645,225)
Trustee's fees	(83,848)	(64,522)	(83,848)	(64,522)
Auditors' fees	(11,400)	(9,450)	(11,400)	(9,450)
Tax agent's fees	(1,200)	(2,410)	(1,200)	(2,410)
Finance costs	(2,798,009)	(2,172,292)	(2,798,009)	(2,172,292)
Administrative expenses	(555,472)	(551,306)	(555,472)	(551,306)
Others	-	(35,000)	-	(35,000)
<b>Total Expenses</b>	<b>(4,288,406)</b>	<b>(3,480,205)</b>	<b>(4,288,406)</b>	<b>(3,480,205)</b>
<b>Income/(loss) before taxation</b>	<b>5,346,349</b>	<b>5,509,719</b>	<b>5,346,349</b>	<b>5,509,719</b>
Taxation	-	-	-	-
<b>Net income/(loss) for the period</b>	<b>5,346,349</b>	<b>5,509,719</b>	<b>5,346,349</b>	<b>5,509,719</b>

**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
	31.03.2023 RM	31.03.2022 RM	31.03.2023 RM	31.03.2022 RM
<b>Total comprehensive income/(loss) for the period</b>	5,346,349	5,509,719	5,346,349	5,509,719
<b>Net income/(loss) for the period is made up as follows:</b>				
-Realised Income	4,693,505	4,691,672	4,693,505	4,691,672
-Unrealised - Unbilled lease income receivable <sup>1</sup>	652,844	818,047	652,844	818,047
	5,346,349	5,509,719	5,346,349	5,509,719
<b>Earnings/(loss) per unit (including unrealised income/(loss)) (sen)</b>				
- after manager's fees	2.07 <sup>#</sup>	2.69	2.07 <sup>#</sup>	2.69
- before manager's fees	2.40 <sup>#</sup>	3.01	2.40 <sup>#</sup>	3.01
<b>Earnings per unit (realised) (sen)</b>				
- after manager's fees	1.82 <sup>#</sup>	2.29	1.82 <sup>#</sup>	2.29
- before manager's fees	2.14 <sup>#</sup>	2.61	2.14 <sup>#</sup>	2.61
<b>Distribution per unit (sen)</b>				
- Proposed/Declared	1.75	2.20	1.75	2.20

<sup>1</sup> 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.

<sup>#</sup> 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 2022 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 01.01.2023 to 31.03.2023**

← Undistributed Income →

	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
<b>At 1 January 2023</b>	274,487,719	5,715,803	55,595,201	335,798,723
<b>Operations for the period from</b>				
- 1 January 2023 to 31 March 2023				
Net income/(loss) for the period	-	4,693,505	652,844	5,346,349
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	4,693,505	652,844	5,346,349
<b>Unitholders' transactions</b>				
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)
Increase/ (Decrease) in net assets resulting from unitholders' transactions	13,990,000	(4,855,463)	-	9,134,537
<b>Net assets as at 31 March 2023</b>	288,477,719	5,553,845	56,248,045	350,279,609

**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
<b>At 1 January 2022</b>	204,129,835	6,087,958	52,871,820	263,089,613
<b>Operations for the period from</b>				
-1 January 2022 to 31 March 2022				
Net income 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
<b>Unitholders' transactions</b>				
Distributions to unitholders - 2022 final	-	(5,217,955)	-	(5,217,955)
Decrease in net assets resulting from unitholders' transactions	-	(5,217,955)	-	(5,217,955)
<b>Net assets as at 31 March 2022</b>	<u>204,129,835</u>	<u>5,561,676</u>	<u>53,689,867</u>	<u>263,381,378</u>

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 2022 and the accompanying explanatory notes attached to the financial statements.

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

	<b>Current Year to Date</b>	<b>Preceding Year Corresponding Quarter</b>
	<b>31.03.2023</b>	<b>31.03.2022</b>
	<b>RM</b>	<b>RM</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	5,346,349	5,509,719
Adjustments for:		
Interest income	(413,059)	(99,483)
Interest expense	2,798,009	2,172,292
Operating income before working capital changes	7,731,300	7,582,528
(Increase)/ Decrease in trade and other receivables	(2,513,352)	(2,048,889)
(Decrease)/ Increase in trade and other payables	(151,668)	(919,755)
Net cash generated from operating activities	5,066,280	4,613,884
<b><u>Cash Flow From Investing Activity</u></b>		
Enhancement of investment property	(16,071,061)	(5,209,963)
Interest income	413,059	99,483
Net cash used in investing activity	(15,658,002)	(5,110,480)
<b><u>Cash Flow From Financing Activities</u></b>		
Issuance of units via Special Issuance (less listing expenses)	13,990,000	-
Interest paid	(2,798,009)	(2,172,292)
Distribution to unitholders	(4,855,463)	(5,217,955)
Net cash used in financing activities	6,336,528	(7,390,247)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(4,255,195)</b>	<b>(7,886,843)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>63,690,100</b>	<b>20,300,027</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>59,434,905</b>	<b>12,413,184</b>
Cash and bank balances	718,927	698,174
Deposits with licensed financial institution	58,715,978	21,155,067
Bank overdraft	-	(9,440,057)
	<u>59,434,905</u>	<u>12,413,184</u>

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

**A2. Audit Report of Preceding Financial Year Ended 31 December 2022**

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**

Save as disclosed in Note A11 below, 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 1.90 sen per unit, amounting to RM4,855,462.92 in respect of the realised income for the period from 1 October 2022 to 31 December 2022 on 28 February 2023.

**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 2023 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 December 2022 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**

Atrium REIT's fund size increased from 255,550,680 units to 265,550,680 units during the quarter under review with the successful issuance and listing of 10,000,000 units at an issue price of RM1.40 per unit, pursuant to a special issuance exercise on 8 March 2023.

#### **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**

	<b>Current Quarter As at 31 March 2023</b>	<b>Immediate Preceding Quarter As at 31 December 2022</b>
Net asset value (RM)	350,279,609	263,381,378
Units in circulation (units)	265,550,680	204,625,680
Net asset value per unit (RM)		
- before distribution	1.3191	1.2871
- after distribution	1.3016	1.2651
Market price per unit (RM)	1.39	1.48
Highest traded price per unit during the quarter (RM)	1.41	1.50
Lowest traded price per unit during the quarter (RM)	1.36	1.44

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

The increase in Net Asset Value was due to the completion of the issuance of 10,000,000 units at issue price of RM1.40 per unit during the quarter under review. Consequently, as a result of the issuance of the new units at a higher unit price than the NAV per unit of RM1.29 as at 31 December 2022, the NAV per unit has enhanced to RM1.32 for the quarter under review.

#### **Quarter Results**

For the quarter under review, Atrium REIT reported higher gross revenue of RM9.20 million compared to the corresponding preceding quarter of RM8.69 million, mainly due to step-up in rental rates and lower rent-free amortization during the current quarter. Interest income increased significantly due to higher funds and higher interest rates offered. As a result, net income (realised) for the quarter increased by 0.28% to RM4.7 million, despite a significant increase in trust expenses for the current quarter.

The trust expenses for current quarter were 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 Net Assets Value arising from funds raised from the private placement and special issuance exercises carried out in 2<sup>nd</sup> half of 2022 and 1<sup>st</sup> quarter 2023. The increase in finance costs was due to the increase in Overnight Policy Rate to 2.75% in 2022.

#### B4. Comparison with Preceding Quarter

	<b>Current Quarter 01.01.2023 To 31.03.2023 RM</b>	<b>Preceding Quarter 01.10.2022 To 31.12.2022 RM</b>
Gross revenue	9,198,224	8,876,684
Unbilled lease income receivable	652,845	681,077
	<hr/> 9,851,069	<hr/> 9,557,761
Property expenses	(630,199)	(462,654)
<b>Net property income</b>	<hr/> 9,220,870	<hr/> 9,095,107
Interest income	413,059	364,171
Other income	827	854
<b>Total income</b>	<hr/> 9,634,755	<hr/> 9,460,132
Trust expenses	(4,288,406)	(4,173,183)
Change in fair value of investment properties	-	1,105,370
<b>Income/ (loss) before taxation</b>	<hr/> 5,346,349	<hr/> 6,392,319
Taxation	-	-
<b>Net income/ (loss)</b>	<hr/> 5,346,349	<hr/> 6,392,319
 <b>Net income for the financial quarter is made up as follows:</b>		
-Realised income	4,693,505	4,605,871
-Unrealised income/ (loss)	652,844	1,786,448
	<hr/> 5,346,349	<hr/> 6,392,319

Atrium REIT's net income (realised) for the quarter ended 31 March 2023 was higher compared to the preceding quarter due mainly to step-up rental income for ASA1, ABL1 and 2 and lower rent-free amortization during the current quarter. The increase in the property expenses was due to higher repair and maintenance costs arising from reinstatement of a property in the current quarter whilst the increase in trust expenses was mainly due to the increase in finance cost as a result of higher Overnight Policy Rate ("OPR") in 2022.

#### B5. Maintenance Costs and Major Capital Expenditure

A total of RM16,071,061 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 is targeted to obtain CPC ("Certificate of Practical Completion") by 2<sup>nd</sup> Quarter of 2023.

#### B6 (a) Economic Outlook

At its meeting on 9 March 2023, the Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 2.75 percent.

In the global economy, there were some positive developments with the reopening of China's economy and better-than-expected growth outturns in major economies, supported by resilient domestic demand. Nevertheless, the global economy continues to be weighed down by elevated cost pressures and higher interest rates. Headline inflation moderated slightly from high levels in recent months, but core inflation remained above historical averages. Some central banks are expected to continue raising interest rates to manage inflationary pressures. This will continue to pose headwinds to the global growth outlook. The

growth outlook remains subject to downside risks, mainly from an escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and a sharp tightening in financial market conditions.

The Malaysian economy expanded strongly by 8.7% in 2022 driven by the recovery in private and public sector spending following the full reopening of the economy. After the strong performance in 2022, the economy is expected to moderate in 2023 amid a slower global economy. Growth will remain driven by domestic demand. Household spending will be underpinned by sustained improvements in employment and income prospects. Tourist arrivals are expected to continue rising, further lifting tourism-related activities. The continued progress of multi-year infrastructure projects will support investment activity. The implementation of projects from the recently re-tabled Budget 2023 would provide upside risks to the domestic growth outlook. Downside risks continue to stem mainly from global developments, including from weaker-than-expected growth outturns or much tighter and more volatile global financial conditions.

Headline and core inflation are expected to moderate over the course of 2023, but will continue to be elevated amid lingering demand and cost factors. The extent of upward pressures to inflation will remain partly contained by existing price controls and fuel subsidies, and the remaining spare capacity in the economy. The balance of risk to the inflation outlook is tilted to the upside and continues to be highly subject to any changes to domestic policy on subsidies and price controls, as well as global commodity price developments.

At the current OPR level, the stance of monetary policy remains accommodative and supportive of economic growth. The MPC will continue to assess the impact of the cumulative OPR adjustments, given the lag effects of monetary policy on the economy. The MPC remains vigilant to cost factors, including those arising from financial market developments, that could affect the inflation outlook. Further normalisation to the degree of monetary policy accommodation would be informed by the evolving conditions and their implications to the domestic inflation and growth outlook. The MPC will continue to calibrate the monetary policy settings that balance the risks to domestic inflation and sustainable growth.

*(Source: Bank Negara Malaysia: <https://www.bnm.gov.my/-/monetary-policy-statement-09032023>)*

## **B6 (b) Prospects**

The occupancy rate for the Trust's portfolio of properties as at 31 March 2023 is 100% save and except for Atrium Shah Alam 4 ("ASA4"), which is currently undergoing a major AEI. The Manager has secured a tenant for ASA4.

The Manager remains cautious due to the uncertainties surrounding the economic recovery as a result of the global economic slowdown, inflationary pressures and geopolitical risks. Despite the uncertainties and the challenging market conditions, the Manager is of the view that Atrium REIT's portfolio of properties will remain resilient and is expected to continue delivering sustainable performance for the financial year of 2023.

## B7. Portfolio Composition

As at 31 March 2023, the portfolio composition of Atrium REIT is as follows:

### Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 31.03.2023 %	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	21.11.2022	60,003	96,200	96,200	27%
Atrium Shah Alam 2	Freehold	100	21.11.2022	64,495	83,500	83,500	24%
Atrium Shah Alam 3	Freehold	100	22.11.2022	31,544	30,200	30,200	9%
Atrium Shah Alam 4	Leasehold	-	21.11.2022	75,699	62,500	78,571	22%
Atrium Puchong	Freehold	100	22.11.2022	39,044	58,800	58,800	17%
Atrium USJ	Freehold	100	22.11.2022	25,000	39,600	39,600	11%
Atrium Bayan Lepas 1	Leasehold	100	30.11.2022	5,372	50,000	50,000	14%
Atrium Bayan Lepas 2	Leasehold	100	30.11.2022	132,440	122,000	122,000	35%
				<b>433,597</b>	<b>542,800</b>	<b>558,871</b>	

## 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	40.7	-	17.5	29.4	By 31 December 2023
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Completed
<b>Total</b>	<b>59.6</b>	<b>42.1</b>	<b>-</b>	<b>17.5</b>	<b>29.4</b>	

# 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 from 30 June 2023 to 31 December 2023.

### 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	44.9	-	39.5	46.8	#By 30 June 2024
Defray estimated expenses relating to the Private Placement	0.9	0.9	-	-	-	Completed
<b>Total</b>	<b>85.3</b>	<b>45.8</b>	<b>-</b>	<b>39.5</b>	<b>46.3</b>	

#The Board has resolved to extend the utilization of the funds to 30 June 2024.

## **B9. Status of Corporate Proposal**

Proposed Special Issuance of up to 20,000,000 Placement Units to Chan Kam Tuck, a major unitholder of Atrium REIT.

Bursa Securities had on 14 September 2022 approved the listing and quotation of up to 20,000,000 new units under the Proposed Special Issuance which was approved by the unitholders in the Unitholders' Meeting held on 27 October 2022. Subsequently, Atrium REIT has completed issuance and listing of 10,000,000 new units at an issue price of RM1.40 per unit (representing 4% of the total issued fund size of Atrium REIT of 245,550,680 units) on 28 December 2022.

The balance of 10,000,000 units has also been issued and listed on 8 March 2023 at an issue price of RM1.40 per unit (representing approximately 4% of the total issued fund size of Atrium REIT of 255,550,680 units). Therefore, the total issued fund size of Atrium REIT as at 31 March 2023 was 265,550,680 units.

## **B10. Material Litigation**

### **B10.1 Litigation case with Marelli Asia Pacific Sdn Bhd**

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 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. The case management and the appeal for hearing has been fixed on 14 February 2023 and 28 February 2023 respectively, at the Court of Appeal. However, at the hearing on 28 February 2023, the Court adjourned the hearing to 3 August 2023. No further filings from the parties were required.

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 2023.

## **B10.2 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

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. Due to the preliminary nature of the suit, the Manager is unable to estimate and assess the financial and/or operational impact on Atrium REIT. Case managements were conducted via e-review on 27 January 2023 and 10 March 2023.



Further to the case management on pre-trial directions on 10 March 2023, the Plaintiff and Defendant were required to file their respective documents on or before 20 April 2023, and the next case management via e-review has been fixed on 8 May 2023.

Any material development will be announced accordingly.

#### **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**

	<b>As at 31 March 2023 RM</b>	<b>As at 31 December 2022 RM</b>
<b>Trade receivables</b>		
Third parties	125,222	32,249
Less: Impairment losses	-	-
Total trade receivables	125,222	32,249
<b>Other receivables, deposits and prepayments</b>	6,969,717	6,077,512
<b>Receivables, Deposits and Prepayments</b>	7,094,939	6,109,761

#### **Ageing analysis of trade receivables**

	<b>Total Due (RM)</b>	<b>0 – 15 days (RM)</b>	<b>16 – 30 days (RM)</b>	<b>31 – 45 days (RM)</b>	<b>&gt; 45 days (RM)</b>
Related Parties	-	-	-	-	-
Non-Related Parties	125,222	700.41	-	1,122	123,400
<b>Total</b>	125,222	700.41	-	1,122	123,400

#### **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**

	<b>As at 31 March 2023 RM</b>	<b>As at 31 December 2022 RM</b>
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	-	-
<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	250,831,130

**B17. Taxation**

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the first quarter of financial year 2023, 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 2023, the Manager has declared a first interim income distribution of 1.75 sen per unit, amounting to RM4,647,137. The book closure and payment dates in respect of the first interim income distribution have been fixed on 16 May 2023 and 31 May 2023 respectively.

Distributions to unitholders are from the following sources:

	<b>Current Year Quarter 31.03.23 RM</b>	<b>Preceding Year Corresponding Quarter 31.03.22 RM</b>	<b>Current Year Quarter 31.03.23 RM</b>	<b>Preceding Year Corresponding Quarter 31.03.22 RM</b>
Rental income (realised)	9,198,224	8,690,434	9,198,224	8,690,434
Interest income	413,059	99,483	413,059	99,483
Other income	827	-	827	-
Reversal of impairment loss on trade receivables	-	-	-	-
<b>Total income</b>	<b>9,612,110</b>	<b>8,789,917</b>	<b>9,612,110</b>	<b>8,789,917</b>
Property operating expenses	(630,199)	(618,040)	(630,199)	(618,040)
Trust expenses	(4,288,406)	(3,480,205)	(4,288,406)	(3,480,205)
<b>Total Expenses</b>	<b>(4,918,605)</b>	<b>(4,098,245)</b>	<b>(4,918,605)</b>	<b>(4,098,245)</b>
<b>Realised income before taxation</b>	<b>4,693,505</b>	<b>4,691,672</b>	<b>4,693,505</b>	<b>4,691,672</b>
Taxation	-	-	-	-
<b>Realised income for the period</b>	<b>4,693,505</b>	<b>4,691,672</b>	<b>4,693,505</b>	<b>4,691,672</b>
<b>Undistributed realised income</b>				
- Previous year's	860,341	870,003	860,341	870,003
- Previous quarter's	-	-	-	-
<b>Total realised income available for distribution</b>	<b>5,553,846</b>	<b>5,561,675</b>	<b>5,553,846</b>	<b>5,561,675</b>
<b>Proposed/declared income distribution</b>	<b>(4,647,137)</b>	<b>(4,501,765)</b>	<b>(4,647,137)</b>	<b>(4,501,765)</b>
Balance undistributed realised income	906,709	1,059,910	906,709	1,059,910
<b>Distribution per unit (sen)</b>	<b>1.75</b>	<b>2.20</b>	<b>1.75</b>	<b>2.20</b>
- Proposed/Declared				

## B.19 Earnings Per Unit

	<b>Current Year Quarter ended 31 March 2023</b>	<b>Corresponding Quarter ended 31 March 2022</b>
Units in circulation (units)	265,555,680	204,625,680
Weighted average units in circulation (units)	258,217,347	204,625,680
Net Income/(loss) for the period (including unrealised income/(loss)) (RM)	5,346,349	5,509,719
Net Income for the period (realised) (RM)	4,693,505	4,691,672
<b>Earnings/(loss) per unit (including unrealised income/(loss)) (sen)</b>		
- after manager's fees	2.07	2.69
- before manager's fees	2.40	3.01
<b>Earnings per unit (realised) (RM)</b>		
- after Manager's fees	1.82	2.29
- before Manager's fees	2.14	2.61

## 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 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 27 April 2023.

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: 27 April 2023