



ATRIUM REAL ESTATE INVESTMENT TRUST

Condensed Financial Statements

Fourth Quarter Ended 31 December 2021

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ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31.12.2021 RM	(Audited) As at 31.12.2020 RM
ASSETS		
Non-current asset		
Investment properties	502,875,648	460,376,753
Investment properties – accrued lease income	6,824,352	3,323,247
	509,700,000	463,700,000
Current assets		
Trade and other receivables	6,327,813	9,630,507
Deposits with a licensed bank	22,745,492	30,385,550
Bank balances	1,769,567	861,407
	30,842,872	40,877,464
TOTAL ASSETS	540,542,872	504,577,464
LIABILITIES		
Non-current liabilities		
Tenants’ deposits	12,454,863	9,225,474
Borrowings	211,231,130	175,231,130
Deferred tax liability	7,473,786	7,392,942
	231,159,779	191,849,546
Current liabilities		
Tenants’ deposits	865,974	5,989,921
Trade and other payables	1,612,474	1,381,761
Borrowings	43,815,032	39,600,000
	46,293,480	46,971,682
TOTAL LIABILITIES	277,453,259	238,821,228
NET ASSET VALUE (“NAV”)	263,089,613	265,756,236
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	204,129,835	204,129,835
Undistributed income	58,959,778	61,626,401
TOTAL UNITHOLDERS’ FUNDS	263,089,613	265,756,236
NUMBER OF UNITS IN CIRCULATION	204,625,680	204,625,680
NAV PER UNIT (RM)		
- before income distribution	1.2857	1.2987
- after income distribution (Note 1)	1.2602	1.2687

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2020 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 fourth and final income distribution for 2021 of 2.55 sen per unit payable on 28 February 2022)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM	Preceding Year Corresponding Quarter 31.12.2020 RM	Current Year to Date 31.12.2021 RM	Preceding Year to Date 31.12.2020 RM
Gross revenue	8,993,222	8,848,436	35,554,599	31,687,279
Unbilled lease income receivable ¹	849,551	786,665	3,501,105	2,717,286
Property operating expenses	9,842,773 (770,858)	9,635,101 (330,598)	39,055,704 (2,643,153)	34,404,565 (2,167,124)
Net rental income	9,071,915	9,304,503	36,412,551	32,237,441
Interest income	235,440	129,829	556,553	766,047
Other income	22,339	170	22,339	197,734
Reversal of impairment loss on trade receivables	-	-	750,000	-
Total income	9,329,694	9,434,502	37,741,443	33,201,222
Trust expenses				
Manager's fees	(679,501)	(534,252)	(2,353,836)	(2,107,084)
Trustee's fees	(67,950)	(53,425)	(235,384)	(210,708)
Auditors' fees	(11,000)	(11,997)	(38,000)	(38,000)
Tax agent's fees	(1,410)	(1,280)	(7,150)	(12,500)
Finance costs	(2,854,594)	(1,813,352)	(8,460,398)	(7,122,889)
Valuation fees	(105,321)	(110,000)	(99,821)	(110,000)
Administrative expenses	(675,704)	(129,939)	(2,861,282)	(1,473,930)
Others	(30,300)	(375,585)	(210,450)	(615,437)
Change in fair value of investment properties ²	(5,189,083)	(399,642)	(5,189,083)	(399,642)
Total Expenses	(9,614,863)	(3,429,472)	(19,455,402)	(12,090,190)
Income/(loss) before taxation	(285,169)	6,005,030	18,286,041	21,111,032
Taxation ³	(80,844)	(152,829)	(80,844)	(152,829)
Net income/(loss) for the period	(366,013)	5,852,201	18,205,197	20,958,203

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter 31.12.2021 RM	Preceding Year Corresponding Quarter 31.12.2020 RM	Current Year to Date 31.12.2021 RM	Preceding Year to Date 31.12.2020 RM
Total comprehensive income/(loss) for the period	(366,013)	5,852,201	18,205,197	20,958,203
Net income/(loss) for the period is made up as follows:				
-Realised Income	4,054,363	5,618,007	19,974,019	18,793,388
- Unrealised - Change in fair value of investment properties	(5,189,083) ²	(399,642)	(5,189,083) ²	(399,642)
-Unrealised - Unbilled lease income receivable ¹	849,551	786,665	3,501,105	2,717,286
-Unrealised – Deferred tax	(80,844)	(152,829)	(80,844)	(152,829)
	(366,013)	5,852,201	18,205,197	20,958,203
Earnings/(loss) per unit (including unrealised income/(loss)) (sen)				
- after manager's fees	(0.18)	2.86	8.90	10.24
- before manager's fees	0.15	3.12	10.05	11.27
Earnings per unit (realised) (sen)				
- after manager's fees	1.98	2.75	9.76	9.18
- before manager's fees	2.31	3.01	10.91	10.21
Distribution per unit (sen)				
- Proposed/Declared	2.55	3.00	9.75	9.00

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

²Change in fair value of investment properties comprises the following:

	RM						
Loss on revaluation of investment properties	:						
Straight line rental receivable	:						
Net change in fair value of investment properties	:						
	<table border="0"> <tr> <td align="right">(1,687,978)</td> <td></td> </tr> <tr> <td align="right">(3,501,105)</td> <td></td> </tr> <tr> <td align="right"><u>(5,189,083)</u></td> <td></td> </tr> </table>	(1,687,978)		(3,501,105)		<u>(5,189,083)</u>	
(1,687,978)							
(3,501,105)							
<u>(5,189,083)</u>							

³Taxation relates to the deferred tax recognized in relation to the fair value gain of freehold land component within the investment properties which is expected to be recovered through sale.

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 2020 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 01.01.2021 to 31.12.2021

	← 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 December 2021				
Net income/(loss) for the period	-	19,974,019	(1,768,822)	18,205,197
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	19,974,019	(1,768,822)	18,205,197
Unitholders' transactions				
Distributions to unitholders				
- 2020 final	-	(6,138,770)	-	(6,138,770)
- 2021 interim	-	(14,733,050)	-	(14,733,050)
Decrease in net assets resulting from unitholders' transactions	-	(20,871,820)	-	(20,871,820)
Net assets as at 31 December 2021	<u>204,129,835</u>	<u>6,087,958</u>	<u>52,871,820</u>	<u>263,089,613</u>

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Period from 01.01.2020 to 31.12.2020

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2020	204,129,835	5,033,063	52,475,827	261,638,725
Operations for the period from - 1 January 2020 to 31 December 2020				
Net income for the period	-	18,793,388	2,164,815	20,958,203
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	18,793,388	2,164,815	20,958,203
Unitholders' transactions				
Distributions to unitholders				
- 2019 final	-	(4,563,153)	-	(4,563,153)
- 2020 interim	-	(12,277,539)	-	(12,277,539)
Decrease in net assets resulting from unitholders' transactions	-	(16,840,692)	-	(16,840,692)
Net assets as at 31 December 2020	<u>204,129,835</u>	<u>6,985,759</u>	<u>54,640,642</u>	<u>265,756,236</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 2020 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 31.12.2021 RM	(Audited) Preceding Year to Date 31.12.2020 RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	18,286,041	21,111,032
Adjustments for:		
Changes in fair value of investment properties	5,189,083	399,642
Interest income	(556,553)	(766,407)
Interest expense	8,460,398	7,122,889
Reversal of impairment loss on trade receivables	(750,000)	-
Trade payables written off	(22,339)	-
Operating income before working capital changes	30,606,630	27,867,516
(Increase)/ Decrease in trade and other receivables	(3,920,466)	554,197
Decrease in trade and other payables	(1,788,774)	(1,809,849)
Net cash generated from operating activities	24,897,390	26,611,864
<u>Cash Flow From Investing Activity</u>		
Acquisition of investment property	(6,335,604)	(10,371,707)
Enhancement of investment property	(852,374)	(104,688)
Interest income	528,608	737,133
Net cash used in investing activity	(6,659,370)	(9,739,262)
<u>Cash Flow From Financing Activities</u>		
Interest paid	(8,313,130)	(6,976,045)
Distribution to unitholders	(20,871,820)	(16,840,692)
Net cash used in financing activities	(29,184,950)	(23,816,737)
Net Decrease in Cash and Cash Equivalents	(10,946,930)	(6,944,135)
Cash and Cash Equivalents at the Beginning of the Period	31,246,957	38,191,092
Cash and Cash Equivalents at the End of the Period	20,300,027	31,246,957
<u>Cash and Cash Equivalents</u>		
Cash and bank balances	1,769,567	861,407
Deposits with licensed financial institution	22,745,492	30,385,550
Bank overdraft	(4,215,032)	-
	<u>20,300,027</u>	<u>31,246,957</u>

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2020 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
For the Quarter Ended 31 December 2021

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 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 2020.

A2. Audit Report of Preceding Financial Year Ended 31 December 2020

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 an interim distribution of 2.50 sen per unit, amounting to RM5,115,642 in respect of the realised income for the period from 1 July 2021 to 30 September 2021 on 30 November 2021.

Based on the 4th quarter’s results ended 31 December 2021 and the undistributed realized income brought forward from the earlier quarters, there will be a final distribution of 2.55 sen per unit, amounting to RM5,217,955 to be payable 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 investment properties are valued based on valuations performed by independent registered valuers. During the quarter under review, a revaluation exercise was undertaken by the Trust pursuant to Paragraph 10.02(b)(i) of the Securities Commission's Guidelines on Listed Real Estate Investment Trusts and Malaysian Financial Reporting Standard 140. The revaluation resulted in a loss of RM 1,687,978 and has been incorporated into the financial statements of Atrium REIT as at 31 December 2021.

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

Description of property	Tenure of land	Existing use	Location	Date of latest valuation	Net Book Value RM'000	Latest valuation RM'000	Revaluation Gain/(Loss) RM'000
Atrium Shah Alam 1 ¹	Freehold	Industrial	Shah Alam	02.11.2021	91,300	91,800	500
Atrium Shah Alam 2 ¹	Freehold	Industrial	Shah Alam	02.11.2021	78,352	78,900	548
Atrium Shah Alam 3 ¹	Freehold	Industrial	Shah Alam	02.11.2021	29,600	29,600	-
Atrium Shah Alam 4 ¹	Leasehold	Industrial	Shah Alam	02.11.2021	46,836	45,300	(1,536)
Atrium Puchong ¹	Freehold	Industrial	Puchong	02.11.2021	53,400	53,400	-
Atrium USJ ¹	Freehold	Industrial	Subang	02.11.2021	38,200	38,200	-
Atrium Bayan Lepas 1 ²	Leasehold	Industrial	Bayan Lepas	06.12.2021	51,000	51,000	-
Atrium Bayan Lepas 2 ²	Leasehold	Industrial	Bayan Lepas	07.12.2021	122,700	121,500	(1,200)
				Total	511,388	509,700	(1,688)

¹ The valuations of the properties were conducted by First Pacific Valuers Property Consultants Sdn. Bhd., an independent firm of professional valuers

² The valuations of the properties were conducted by IVPS Property Consultant Sdn. Bhd., an independent firm of professional valuers

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.

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 December 2021	Immediate Preceding Quarter As at 30 September 2021
Net asset value (RM)	263,089,613	268,571,267
Units in circulation (units)	204,625,680	204,625,680
Net asset value per unit (RM)		
- before distribution	1.2857	1.3125
- after distribution	1.2602	1.2875
Market price per unit (RM)	1.50	1.46
Highest traded price per unit during the quarter (RM)	1.51	1.50
Lowest traded price per unit during the quarter (RM)	1.42	1.42

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

The Net Asset Value and the Net Asset Value per unit for the quarter under review were lower as compared to the preceding quarter due mainly to the loss in fair value of investment properties.

Quarter Results

For the quarter under review, Atrium REIT's gross revenue increased slightly to RM8.99 million compared to the corresponding quarter of RM8.85 million. Net income (realised) for the quarter decreased by 27.8% to RM4.05 million due mainly to the higher property and trust expenses. The slight increase in gross revenue was mainly due to the incremental rental income from Atrium Shah Alam 1 and the step-up rentals for Atrium Bayan Lepas 1 & 2.

The increase in property expenses was due to the additional property expenses incurred with the acquisition of Atrium Shah Alam 4 ("ASA4") and an increase in repairs and maintenance costs.

The trust expenses increased due to the increase in Managers' fees, finance costs and administrative expenses. The Managers' fees increased to 1.0% per annum of the Net Asset Value of the Trust with effect from 1 August 2021. Finance costs increased due to MTN Tranche 3 which was issued to finance the acquisition of ASA4. Administrative expenses increased due to the stamp duty incurred for the land lease extension for Atrium Bayan Lepas 2.

Twelve Months Results

For the twelve months period ended 31 December 2021, Atrium REIT recorded a gross revenue of RM35.55 million, an increase of 12.2% compared to the corresponding period of RM31.69 million. Net income (realised) for the period increased by 6.3% as compared to the corresponding period. The increase was due mainly to the higher gross revenue and other income. The increased in gross revenue was mainly due to the rental income from ABL 1 which commenced in October 2020 whilst the other income was mainly due to the reversal of impairment loss from an outstanding trade debtor following a consent judgement reached on 19 January 2021.

Interest income received was significantly higher as a result of interest received for the Tenaga Nasional Berhad deposit at Atrium Shah Alam 1 upon termination of account. The trust expenses were higher compared to the corresponding period mainly due to the higher Managers' fees, finance costs and administrative expenses. The Managers' fees increased to 1.0% per annum of the Net Asset Value of the Trust with effect from 1 August 2021. Finance costs increased due to the issuance of the MTN Tranche 3 to finance the acquisition of ASA4. The significantly higher administrative expenses for the current period as compared to the corresponding period, was due mainly to the one-off payment of the real estate agents' fees, amortization of consent fees for ABL 1 lease with Lumileds Malaysia Sdn Bhd and the stamp duty for the land lease extension of Atrium Bayan Lepas 2. The real estate agents' fees were for the securing of a new lessee and tenant for ASA 1 and AUSJ-Block B respectively.

B4. Comparison with Preceding Quarter

	Current Quarter 01.10.2021 To 31.12.2021 RM	Preceding Quarter 01.07.2021 To 30.09.2021 RM
Gross revenue	8,993,222	8,876,002
Unbilled lease income receivable	849,551	954,409
	<hr/> 9,842,773	<hr/> 9,830,411
Property expenses	(770,858)	(626,961)
Net property income	<hr/> 9,071,915	<hr/> 9,203,450
Interest income	235,440	109,012
Other income	22,339	250,000
Total income	<hr/> 9,329,694	<hr/> 9,562,462
Trust expenses	(4,425,780)	(2,929,962)
Change in fair value of investment properties	(5,189,083)	-
Income/ (loss) before taxation	<hr/> (285,169)	<hr/> 6,632,500
Taxation	(80,844)	-
Net income/ (loss)	<hr/> (366,013)	<hr/> 6,632,500
Net income for the financial quarter is made up as follows:		
-Realised income	4,054,363	5,678,091
-Unrealised (loss)/income	(4,420,376)	954,409
	<hr/> (366,013)	<hr/> 6,632,500

Atrium REIT's net income (realised) for the quarter ended 31 December 2021 was significantly lower compared to the preceding quarter due mainly to the increase in trust expenses. The increase in trust expenses was mainly due to the increase in administrative expenses and finance costs. Administrative expenses increased due to the stamp duty incurred for the land lease extension for Atrium Bayan Lepas 2 whilst finance costs increased due to MTN Tranche 3.

B5. Maintenance Costs and Major Capital Expenditure

A total of RM228,500 capital expenditure was incurred for the enhancement of the properties of Atrium REIT during the quarter under review.

B6(a). Economic Outlook

In their October World Economic Outlook (WEO) publication, the IMF revised its projection of global growth marginally downwards from 6.0% to 5.9% for 2021, compared to their July WEO. This reflected weaker prospects in advanced economies (AEs), due partly to resurgences in COVID-19 cases which dampened domestic demand as well as ongoing supply disruptions in the manufacturing sector. The growth outlook for several emerging market economies (EMEs) were revised upwards, reflecting improving demand conditions and commodity exporters benefitting from a rebound in demand and higher prices. The progress of vaccine rollout remains a key determinant of the growth recovery. The higher vaccination rates in AEs, compared to EMEs excluding China, accords AEs more flexibility to reopen the economy and resume economic activity earlier. Many AEs have also introduced booster vaccines especially for at-risk groups amid rising cases due to highly infectious strains. This, along with ongoing fiscal support, underpin expectations for a recovery in AEs for the rest of the year. In EMEs, growth is expected to be supported by continued trade activity and recovery in domestic demand. However, growth could continue to be affected by localised containment measures and some production restrictions as healthcare capacity remained strained due to persistently high cases of severe infections amid slower rollout of vaccines relative to AEs. The growth prospects in China are projected to be further weighed by ongoing energy disruptions and lower-than-expected public investment. The balance of risks remains tilted to the downside. COVID-19 is a key source of downside risks. Other risks include more severe and persistent global supply disruptions leading to higher price pressures and faster than-expected policy normalisation. In contrast, upside risks to growth could come from faster vaccination progress in EMEs.

For 2021, the Malaysian economy remains on track to achieve the projected growth range of 3.0% - 4.0%. The recent gradual relaxations for reopening of more economic sectors, along with higher adaptability of firms to the new operating environment and continued policy support, partly mitigated the impact of nationwide containment measures in the third quarter. Furthermore, the successful rollout of the vaccination programme, which has resulted in improved health outcomes, has enabled a phased and safe reopening of economic sectors and allow the economy to continue its recovery path. Going into 2022, the positive growth momentum is expected to improve. The economy would benefit from expansion in global demand, higher private sector expenditure in line with the resumption of economic activity and continued policy support. The balance of risks remains tilted to the downside due to external and domestic factors. These include a weaker-than-expected global growth, a worsening in supply chain disruptions, and the re-imposition of containment measures due to the impact of new COVID-19 variants of concern. Moving into 2022, headline inflation is projected to remain moderate. As economic activity normalises, core inflation is expected to edge upwards but remain benign given the continued spare capacity in the economy and slack in the labour market. The outlook, however, continues to be subject to global commodity price developments and some risk from prolonged supply-related disruptions.

(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 pandemic. 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 December 2021 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 December 2021, the portfolio composition of Atrium REIT is as follows:

Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 31.12.2021 %	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	91,800	34.9%
Atrium Shah Alam 2	Freehold	100	02.11.2021	64,143	78,900	78,900	30.0%
Atrium Shah Alam 3	Freehold	100	02.11.2021	31,516	29,600	29,600	11.3%
Atrium Shah Alam 4	Leasehold	0	02.11.2021	46,836	45,300	45,300	17.2%
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	38,200	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	46.2%
				449,354	509,700	509,700	

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	37.3	-	20.9	35.9	Within 33 months [#]
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Within 1 month
Total	59.6	38.7	-	20.9	35.1	

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 for an additional 6 months to 30 June 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 Court has given us the following directions during case management in regards to the appeal to High Court:

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, 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 shall be paid into the Plaintiff's solicitors' clients' account within 2 weeks from the date hereof, and fixed the matter for further case management on 28 January 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 2021.

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 December 2021 RM	As at 30 September 2021 RM
Trade receivables		
Third parties	8,950	162,006
Less: Impairment losses	-	-
Total trade receivables	8,950	162,006
Other receivables, deposits and prepayments	6,318,863	9,096,348
Receivables, Deposits and Prepayments	6,327,813	9,258,354

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	0	0	0	0	0
Non-Related Parties	8,950	8,950	0	0	0
TOTAL	8,950	0	0	0	0

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 December 2021 RM	As at 30 September 2021 RM
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	4,215,032	4,882,555
<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
	<hr/> 255,046,162	<hr/> 255,713,685

B17. Taxation

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2021, 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

Distributions to unitholders are from the following sources:

	Current Year Quarter 31.12.21 RM	Preceding Year Corresponding Quarter 31.12.20 RM	Current Year to Date 31.12.21 RM	Preceding Year to Date 31.12.20 RM
Rental income (realised)	8,993,222	8,848,436	35,554,599	31,687,279
Interest income	235,440	129,829	556,553	766,047
Other income	22,339	170	22,339	197,734
Reversal of impairment loss on trade receivables	-	-	750,000	-
Total income	9,251,001	8,978,435	36,883,491	32,651,060
Property operating expenses	(770,858)	(330,598)	(2,643,153)	(2,167,124)
Trust expenses	(4,425,780)	(3,029,830)	(14,266,319)	(11,690,548)
Total Expenses	(5,196,638)	(3,360,428)	(16,909,472)	(13,857,672)
Realised income before taxation	4,054,363	5,618,007	19,974,019	18,793,388
Taxation	-	-	-	-
Realised income for the period	4,054,363	5,618,007	19,974,019	18,793,388
Undistributed realised income				
- Previous year's	846,989	469,910	846,989	469,910
- Previous quarter's	1,186,606	897,841	-	-
Total realised income available for distribution	6,087,958	6,985,758	20,821,008	19,263,298
Proposed/declared income distribution	(5,217,955)	(6,138,770)	(19,951,005)	(18,416,310)
Balance undistributed realised income	870,003	846,988	870,003	846,988
Distribution per unit (sen)				
- Proposed/Declared	2.55	3.00	9.75	9.00

B.19 Earnings Per Unit

	Current Quarter ended 31 December 2021	Corresponding Quarter ended 31 December 2020
Units in circulation (units)	204,625,680	204,625,680
Net Income/(loss) for the period (including unrealised income/(loss)) (RM)	(366,013)	5,852,201
Net Income for the period (realised) (RM)	4,054,363	5,618,007
Earnings/(loss) per unit (including unrealised income/(loss)) (sen)		
- after manager's fees	(0.18)	2.86
- before manager's fees	0.15	3.12
Earnings per unit (realised) (RM)		
- after Manager's fees	1.98	2.75
- before Manager's fees	2.31	3.01

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 2021 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 January 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: 27 January 2022