

ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

(Managed by Atrium REIT Managers Sdn. Bhd. 200501028391 (710526-V))

Minutes of the Tenth Annual General Meeting (“AGM”) of Atrium Real Estate Investment Trust (“Atrium REIT”) conducted entirely through live streaming from the broadcast venue at Tricor Business Centre, Manuka 2 & 3, Unit 29-01, Level 29, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, on 27 April 2022, Wednesday at 11.00 a.m.

- Present : Dato’ Dr Ir Mohamad Khir bin Harun
[Chairman of the Meeting/Atrium REIT Managers Sdn. Bhd.
 (“the Manager”)]
- Others as per attendance list
- By Invitation : Ms Wong Sui Ee
Mr Tor Peng Sie*
Mr Soong Kwong Heng*
Mr How Hu Son*
Mr Chan Wan Seong*
Mr Chng Boon Huat
- Mr Chan Kum Chong* - Chief Executive Officer of the Manager (“CEO”)
- Mr Mark Lee Hooi Hoong - Chief Financial Officer of the Manager (“CFO”)
- Ms Ng Bee Eng - Chief Operations Officer of the Manager (“COO”)
- Ms Lydia Foong - Senior Finance Manager cum Compliance Officer of the Manager
- In Attendance : Ms Annie Wong Wai Foong - Company Secretary
Ms Thong Kar Mun - Representative of Tricor Corporate Services Sdn. Bhd.

*via video conferencing

1. **CHAIRMAN OF MEETING**

Dato’ Dr Ir Mohamad Khir bin Harun presided as the Chairman of the meeting. On behalf of the Board of the Manager, the Chairman welcomed and thanked the unitholders, authorised representatives, management team and the Board of Directors of the Manager for participating remotely from various locations through live streaming.

The Chairman then introduced his fellow Board members, the CFO, the COO and the Company Secretary who were with him at the broadcast venue, and the Board members who were attending the meeting via video conferencing.

2. **QUORUM AND NOTICE OF MEETING**

There being no objection, the notice convening the meeting dated 25 February 2022, having been circulated to all the unitholders of Atrium REIT within the statutory period, was taken as read.

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Upon confirming a quorum pursuant to Schedule 2 of the Second Restated Deed of Atrium REIT by the Secretary, the Chairman called the meeting to order at 11.00 a.m.

Thereafter, the Chairman informed the meeting that the resolution set out in the Notice of meeting would be voted by poll, which would be conducted electronically via the remote participation and voting (“RPV”) facility provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“TIIH”) in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, and that Atrium REIT was required to appoint at least one scrutineer to validate the votes cast at the general meeting.

The Chairman then announced Asia Securities Sdn. Berhad as the scrutineer for the poll.

The unitholders were informed that the voting on the resolutions could be done anytime throughout the meeting until the closure of the voting session.

TIIH was invited to explain the remote voting procedures through the RPV facility.

3. PRESENTATION BY MANAGEMENT

The Chairman invited Ms Ng Bee Eng, the COO of the Manager, to present an update on the Asset Enhancement Initiatives at Atrium Shah Alam 4.

4. AUDITED FINANCIAL STATEMENTS OF ATRIUM REIT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 TOGETHER WITH THE TRUSTEE’S REPORT ISSUED BY PACIFIC TRUSTEES BERHAD, AS TRUSTEE OF ATRIUM REIT AND THE MANAGER’S REPORT ISSUED BY ATRIUM REIT MANAGERS SDN. BHD., AS THE MANAGER OF ATRIUM REIT AND THE AUDITORS’ REPORT THEREON

The Audited Financial Statements of Atrium REIT for the financial year ended 31 December 2021, together with the Trustee’s Report issued by Pacific Trustees Berhad, as Trustee of Atrium REIT, and the Manager’s Report issued by the Manager and the Auditors’ Report thereon (“Audited Financial Statements”), which were dispatched to all the unitholders of Atrium REIT on 25 February 2022, were tabled for discussion.

It was noted that pursuant to the provision under the Guidelines on Listed Real Estate Investment Trust issued by the Securities Commission Malaysia, this agenda item did not require approval from the unitholders of Atrium REIT.

5. ORDINARY RESOLUTION 1 (SPECIAL BUSINESS) AUTHORITY TO ISSUE AND ALLOT NEW UNITS OF UP TO 20% OF ITS TOTAL NUMBER OF UNITS ISSUED OF ATRIUM REIT

The meeting continued to consider the special business in respect of the unitholders’ mandate to issue and allot new units of up to 20% of its total number of units issued of Atrium REIT.

The Chairman informed that the full text of proposed resolution was set out in the notice of meeting and the same was taken as read.

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The Chairman further informed the meeting that the passing of the proposed resolution pertaining to the unitholders' mandate to issue and allot new units of up to 20% of its total number of units issued of Atrium REIT would provide flexibility to the Manager to issue and allot new units to raise funds to finance future investments, acquisitions, capital expenditure and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations, without the need of convening a separate general meeting to obtain unitholders' approval, which will incur additional cost and cause further delays.

The authority shall, unless revoked or varied by the unitholders at a unitholders' meeting, expire at the conclusion of the next Annual General Meeting of Atrium REIT.

6. QUESTIONS & ANSWERS SESSION

The Chairman addressed the questions received from the unitholders, which were submitted through TIIH's online platform prior to the AGM and those received via the online query box during the AGM.
(Refer to **Appendix A** for details)

7. POLLING AND RESULTS OF POLL

After dealing with all the business on the Agenda, the Chairman announced that the poll administrator and scrutineer were TIIH and Asia Securities Sdn. Berhad respectively.

The meeting proceeded to poll voting.

The meeting was adjourned for 20 minutes for the counting of votes.

Upon completion of the counting of votes by poll, the Chairman called the meeting to order and the representative of Asia Securities Sdn. Berhad announced the poll results as follows:-

ORDINARY RESOLUTION 1 – AUTHORITY TO ISSUE AND ALLOT NEW UNITS OF UP TO 20% OF ITS TOTAL NUMBER OF UNITS ISSUED OF ATRIUM REIT

Result On Voting By Poll							
<u>Vote For</u>				<u>Vote Against</u>			
<u>No. of Units</u>	<u>%</u>	<u>No. of Proxy/ Unitholders</u>	<u>%</u>	<u>No. of Units</u>	<u>%</u>	<u>No. of Proxy/ Unitholders</u>	<u>%</u>
37,131,413	99.6923	81	78.6408	114,606	0.3077	22	21.3592
<u>Total Votes</u>							
<u>No. of Units</u>	<u>%</u>	<u>No. of Proxy/ Unitholders</u>	<u>%</u>				
37,246,019	100.000	103	100.000				

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Based on the poll result, the Chairman declared the following motion carried:-

“THAT pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and subject to the approvals from all relevant regulatory authorities and/or parties, where required, the Directors of Atrium REIT Managers Sdn. Bhd., the Manager of Atrium REIT (“the Manager”), be and are hereby authorised to issue and allot new units in Atrium REIT (“New Units”) from time to time to such persons and for such purposes as the Directors of the Manager may in their absolute discretion deem fit and in the best interest of Atrium REIT, provided that the aggregate number of New Units to be issued pursuant to this resolution, when aggregated with the number of units in Atrium REIT issued during the preceding 12 months, does not exceed 20% of its total number of units issued of Atrium REIT for the time being (“Proposed Mandate”).

THAT such approval shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting of the unitholders at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;*
- (ii) the expiration of the period within which the next Annual General Meeting of the unitholders is required by law to be held; or*
- (iii) revoked or varied by resolution passed by the unitholders in a unitholders’ meeting, whichever is the earlier.*

THAT the New Units to be issued pursuant to the Proposed Mandate shall, upon issuance and allotment, rank pari passu in all respects with the existing units of Atrium REIT, except that the New Units will not be entitled to any income distribution, right, benefit, entitlement and/or any other distributions that may be declared prior to the date of allotment of such New Units.

THAT the Directors of the Manager and Pacific Trustees Berhad (“the Trustee”), acting for and on behalf of Atrium REIT, be and are hereby authorised to give effect to the Proposed Mandate with full powers to assent to any condition, modification, variation and/or amendment as they may deem fit in the best interest of Atrium REIT and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Manager and the Trustee, acting for and on behalf of Atrium REIT, be and are hereby authorised to take all necessary steps and do all such acts, deeds and things as they may deem necessary or expedient to implement, finalise and to give full effect to the Proposed Mandate.”

8. CLOSURE

There being no further business, the meeting closed at 11.59 a.m. with a vote of thanks to the Chair.

Confirmed as correct records by the Chairman of the meeting.

AW:SF:TKM

Minutes re: 10th AGM of Atrium REIT

APPENDIX A

Annual General Meeting Questions raised by Unitholders

27 April 2022

No	Questions	Responses
1.	May I know what is the next acquisition will happen again?	We do not have targeted properties in the pipeline as we would like to concentrate to complete the Asset Enhancement Initiative ((AEI) for Atrium Shah Alam 4. However, we will not rule out any acquisitions as and when they come to our attention, provided they satisfy our investment criteria of strategic locations, strong tenants, yield accretive and future capital appreciation, etc. We are regularly approached with proposals to acquire new properties. However, it is Atrium REIT's policy to be prudent in all our acquisitions to safeguard our unitholders' interests.
2.	May I know If atrium has any acquisition targets in the short medium term (1-3years) as well as right issues/private placement for this purpose? How do existing shareholders apply for private placement?	Existing unitholders who are interested to apply for the private placement can register their interest with the Manager or our registrar Tricor Investor & Issuing House when we carry out private placement exercise. However, the said unit holder will have to comply with conditions imposed by Capital Market Services Act to qualify for this application.
3.	Good morning board of directors, 1/ I note that Atrium's borrowings are floating rate. How do you plan to manage increases in borrowing costs in the near future? 2/ How is the progress on the ASA4 AEI? When does the ASA4 tenancy start? Thank you	We are of the opinion that the floating rate will remain competitive in the short term and in the short to medium term will continue with the floating rate regime. However, we may consider implementing a hedging strategy to mitigate against fluctuating interest rate. The overall percentage completion of ASA4 AEI is about 30 percent currently. Barring any unforeseen circumstances, ASA4 tenancy is expected to commence in the 1st Quarter 2023.
4.	Are any of the properties affected/suffered any damages due to the heavy flood?	Most of the REIT's properties were not affected during the heavy flood last year Dec 2021 due to surrounding monsoon drains as well as the raised warehouse floors elevated at least 1.3 metres above ground, with the exception of ASA2 and ASA 3 where there were some damages to our properties. However, such damages were fully covered by insurance. Our tenants' goods and operations were thankfully not affected by the flood.
5.	Any flood risk for the new project and our current existing projects?	There is no flood risk for the new project. During the flood in December 2021, the project site was not affected and our substructural works proceeded as scheduled.

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No	Questions	Responses
6.	When will the rental incomes from Atrium Shah Alam 4 be included in our accounts and what will be the gross yield from this property?	As informed earlier, we should be securing a tenant for Level 1 by 2nd of the half year. Gross yield will be dependent on the rental rate from Level 1 and also the final contract sums for the AEI. As such we can only determine the gross yield once the above are confirmed. However, based on our estimate, the gross yield is around 5.5% to 6%.
7.	With regard to ordinary resolution 1, will the board bear in mind that allotment of shares can be DPU dilutive to shareholders?	Definitely there would be some dilution in the short term. However, once the properties are fully tenanted, the DPU dilution would be minimal in the future as the rental are at step up rates basis.
8.	what is the prospect for logistics sector going forward in the post pandemic world? Any diversification plans for Atrium REIT on other industry sectors?	<p>We do not foresee any issues arising on logistics sector in post pandemic. In fact, the logistics businesses are getting more dynamic currently. Due to online shopping (e-commerce) business is growing tremendously, we shall continue to focus on logistics sector for the moment.</p> <p>However, we will still look out for opportunities, i.e., manufacturing sector as part of our existing diversification plan.</p>
9.	Will Atrium REIT consider investing in data centre in the near future?	<p>We do not think we would venture into data centre in the near future due to it being a specialised field and involves high investment to facilitate the centre. Moreover, most of the data centres that are in operations are already established and we would foresee challenges in getting into this sector. Furthermore, data centre is a sensitive area as we need to take care of the subscribers' interest.</p> <p>So, we will focus on the logistics sector and lease our properties to this sector for the moment.</p>
10.	When do you expected the Shah Alam 4 property to be rented out?	Ground floor and mezzanine floor have already been taken up and tenancy will commence upon completion of the AEI; estimated to be end of 2022/ early 2023. There are currently a number of prospects for the level 1 and we expect a tenant to be secured by 2 nd half of 2022.

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27 April 2022



No	Questions	Responses
11.	What is contribution of earning from Shah Alam 4 if rented out?	ASA4 is expected to contribute around 16-17% of the total revenue of the REIT when fully tenanted.
12.	May I know what is the progress or timeline for Atrium Shah Alam 4 to contribute income for the trust?	1Q 2023
13.	May I know if Atrium has secured any potential tenants for Atrium shah alam 4, currently undergoing AEI, what is the expected rental from this property?	The rental rate is competitive and comparable to properties in the vicinity of similar specifications and facilities.
14.	Can we expect double dividends and quarterly payout for the year 2022/23?	We will maintain quarterly dividend payments and would target to double the dividends, but we do not expect it to happen in 2022/2023.
15.	How much would any interest rate increase affect the performance of the trust since the gearing level is about 47%?	Based on FYE 31 December 2021, a movement of 25 basis point in the interest rate will impact the profit by approximately 3.5%.
16.	What is the all-in cost of debt?	2.91 to 3.51
17.	What is the interest coverage ratio?	3.20 times
18.	What is the financial impact of the (legal) litigation (with former tenant of ASA1)?	The litigation is not expected to have material financial or operational impact on the REIT.
19.	Does the REIT have a sponsor?	Yes, it does. It's Mr Chan Kam Tuck and Glory Blitz Industries Sdn Bhd as mentioned in Atrium REIT's listing prospectus.
20.	What industrial sectors are the tenants in? Kindly provide the breakdown according to NLA.	Logistics and warehousing and manufacturing. Logistics & Warehousing – 67% Manufacturing – 33%

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No	Questions	Responses
21.	What is weighted average lease expiry (WALE) of the portfolio?	7.6 years.
22.	What is the portfolio rental reversion for FY2021?	<ol style="list-style-type: none"> 1. ASA 1 – Secured a new tenant at positive rental reversion 2. ASA3 – renewed – no rental reversion 3. ABL – P1 – 3% step up in rental rate 4. ABL – P2 – 3% step up in rental rate
23.	What were the reversions for FY2020 and FY2019?	<p><u>FY2020</u></p> <ul style="list-style-type: none"> • AUSJ-Block-A- new tenant secured at a slight negative rental reversion • ABL – P2 – 3% Step up in rental rate <p><u>FY2019</u></p> <ul style="list-style-type: none"> • AUSJ-Block C – renewed with positive rental reversion • ASA2 and AUSJ-Block B - No rental reversions
24.	Were there any rental rebates provided to tenants during the pandemic?	No. However, as a gesture of support to our tenants, we allowed them to defer their rental payments which have since been fully updated and paid.
25.	Does the REIT have a capital recycling policy?	<p>No, we do not have a formal policy.</p> <p>However, when the management is of the opinion that the value of the property has been fully optimised, we may undertake to recycle the capital.</p> <p>An example is back in 2015 the REIT disposed Atrium Rawang and reinvested part of the sales proceed into Atrium Shah Alam 3. We also rewarded unitholders with additional distribution in that year from the profit on disposal.</p>
26.	Door gift to motivate unitholders to attend the meeting which may be a challenge to some who find it difficult to attend the meeting virtually.	<p>We regret to inform that we do not have a door gift policy.</p> <p>Instead, we feel that the cost of such door gifts is much better returned to our valued unitholders in the form of distribution which can then be used to purchase goods and services that are relevant for the individual unitholder.</p>