

ATRIUM REIT

ATRIUM REAL ESTATE INVESTMENT TRUST



Annual Report **2021**



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Tenth Annual General Meeting

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OUR MISSION

To maximise income in order to reward Unitholders with a competitive rate of return for their investment through regular and stable distributions and achieving long-term growth in distributions and Net Asset Value per Unit.





PROFILE OF **ATRIUM REAL ESTATE INVESTMENT TRUST**

Atrium REIT is an industrial asset focused real estate investment trust constituted by a Trust Deed entered into on 20 November 2006, amended by the First Supplementary Deed dated 25 November 2008 and the Restated Deed dated 24 March 2016 between CIMB Commerce Trustee Berhad (*formerly known as BHLB Trustee Berhad*) as the Trustee and Atrium REIT Managers Sdn Bhd as the Manager (*collective known as "First Deed"*).

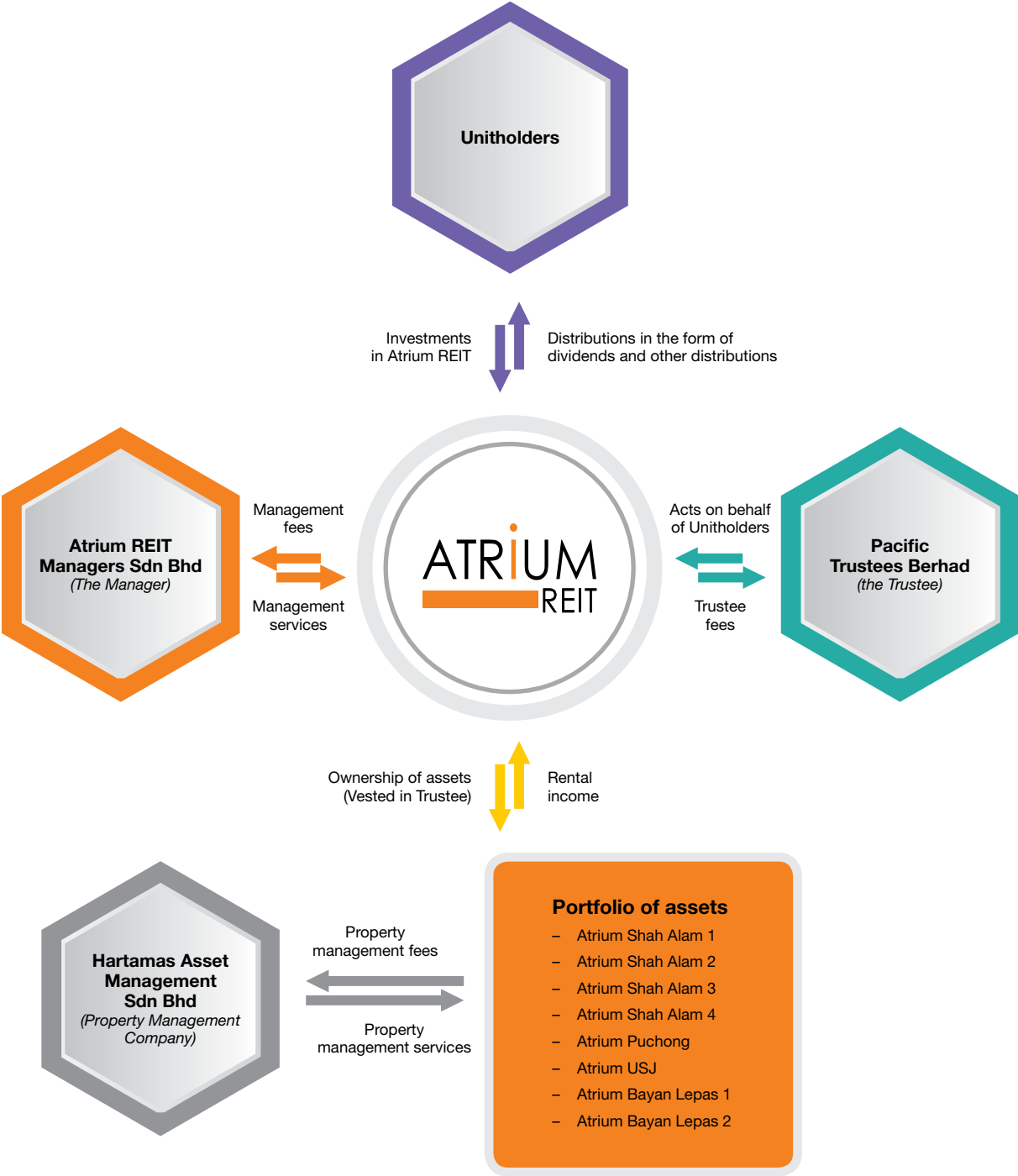
On 21 April 2016, the Manager, CIMB Commerce Trustee Berhad (*"Retiring Trustee"*) and Pacific Trustees Berhad (*"New Trustee"*) entered into a Second Supplementary Deed to effect the change of trustee of Atrium REIT from the Retiring Trustee to the New Trustee. The

First Deed and the Second Supplementary Deed were further amended by a Second Restated Deed dated 17 December 2019 entered into between the Manager and Pacific Trustees Berhad, as the Trustee of Atrium REIT.

Atrium REIT was listed on Main Board of Bursa Malaysia Securities Berhad on 2 April 2007

Atrium REIT's property portfolio consists of eight industrial properties located in prime locations in the Klang Valley and Penang, namely, Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Shah Alam 3, Atrium Shah Alam 4, Atrium Puchong, Atrium USJ, Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2.

STRUCTURE OF ATRIUM REAL ESTATE INVESTMENT TRUST



PROFILE OF THE MANAGER

Atrium REIT Managers Sdn Bhd is the Manager for Atrium REIT and is responsible for the administration and management of Atrium REIT. The Manager is also responsible for the implementation of the REIT's investment and business strategies. The Manager was incorporated in Malaysia on 22 September 2005 and is subsidiary of Glory Blitz Industries Sdn Bhd.

Salient Features of the Fund

Name of fund	: Atrium REIT
Fund category	: Real Estate
Fund type	: Growth and income
Investment objectives	: To maximise income in order to reward unitholders with annual stable distributions of income and to acquire quality assets to achieve long-term growth in the Net Asset Value per unit of the Fund
Fund investment strategy	: Aim to achieve the primary objectives of the Fund by implementing investment and growth strategies such as organic growth strategies, acquisition strategies and financing strategies
Term of the Trust	: Atrium REIT will continue its operation until such time as determined by the Trustee and the Manager as provided under the provision of Clause 19 of the Second Restated Deed dated 17 December 2019.
Size of Fund	: 204,625,680 units
Authorised investments	: Invest in real estate, non-real estate-related assets and cash, deposit and money market instruments. At least 75% of Atrium REIT's total assets must be invested in real estate that generates recurrent rental income at all times.
Financial year end	: 31 December
Distribution policy	: At least 90% of the distributable income of Atrium REIT shall be distributed semi-annually or at such other intervals as determined by the Manager in its absolute discretion; in arrears.
Borrowing limitations	: Up to 50% of the total asset value of the Fund at the time the borrowing is incurred.
Revaluation policy	: The properties will be revalued annually pursuant to Malaysian Financial Reporting Standard 140 and Clause 10.02(b)(i) of the Securities Commission Malaysia's Guidelines on Listed Real Estate Investment Trusts.
Redemption policy	: Unitholders have no right to request the Fund to repurchase their units while the units are listed
Minimum initial investment	: Minimum of 100 units
Minimum additional investments	: Multiples of 100 units
Investor profile	: Suitable for investors who understand the risks related to the real estate industry and expect to benefit from the periodic distribution of income and long-term growth of the Fund
Quotation	: Main Market of Bursa Malaysia Securities Berhad
Bursa Malaysia Stock Number	: ATRIUM 5130

FINANCIAL
HIGHLIGHTS

6.50%¹

Dividend Yield Per Annum

9.75 sen

Distribution Per Unit
per annum

100%²

Occupancy

47.18%

Gearing level

2.17%

Management Expense Ratio

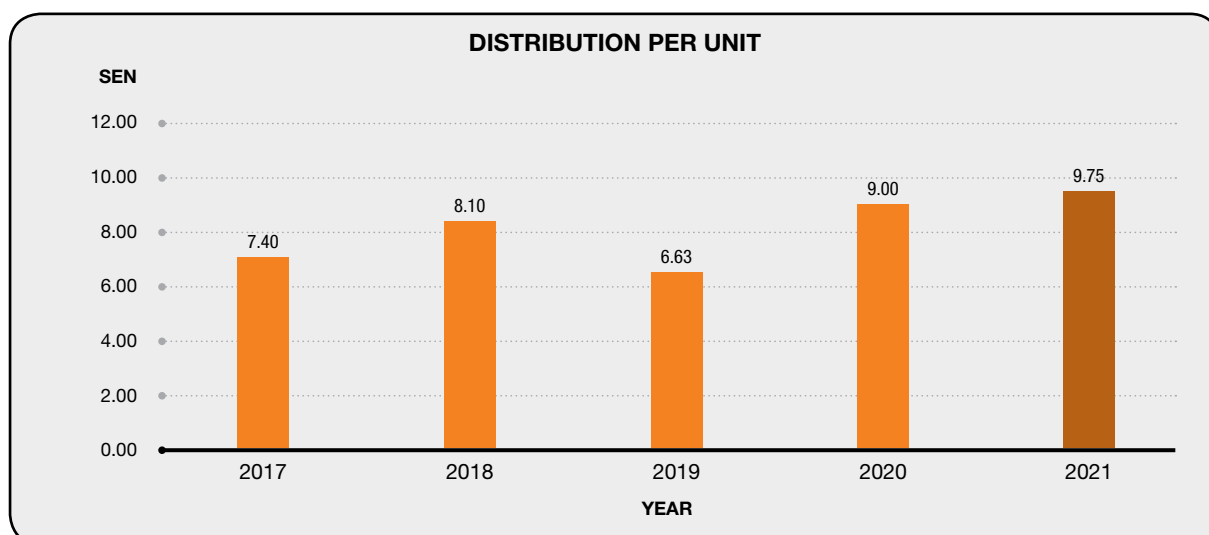
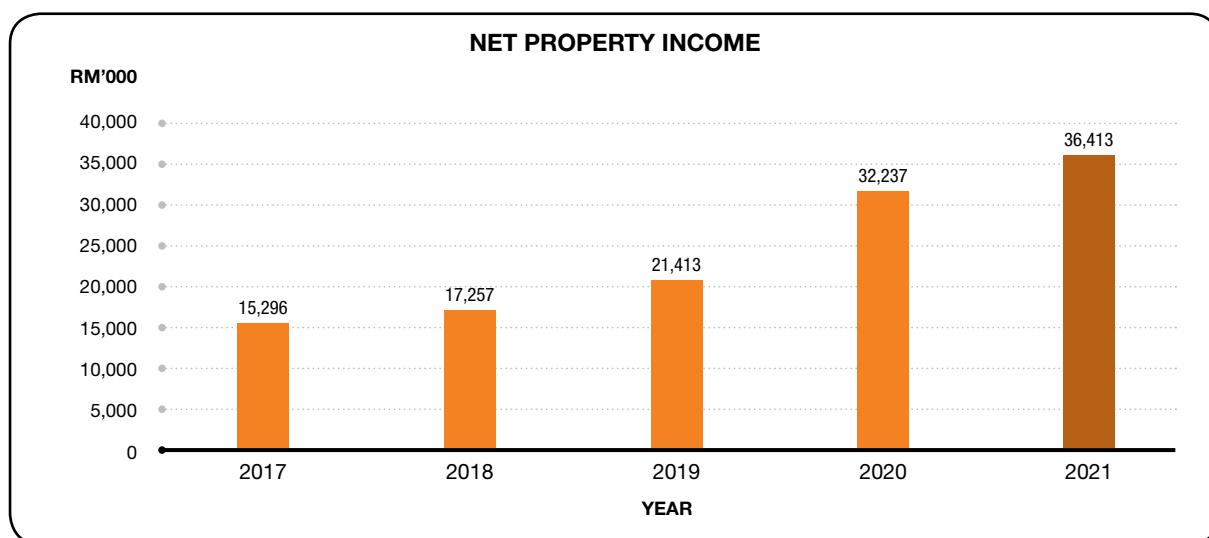
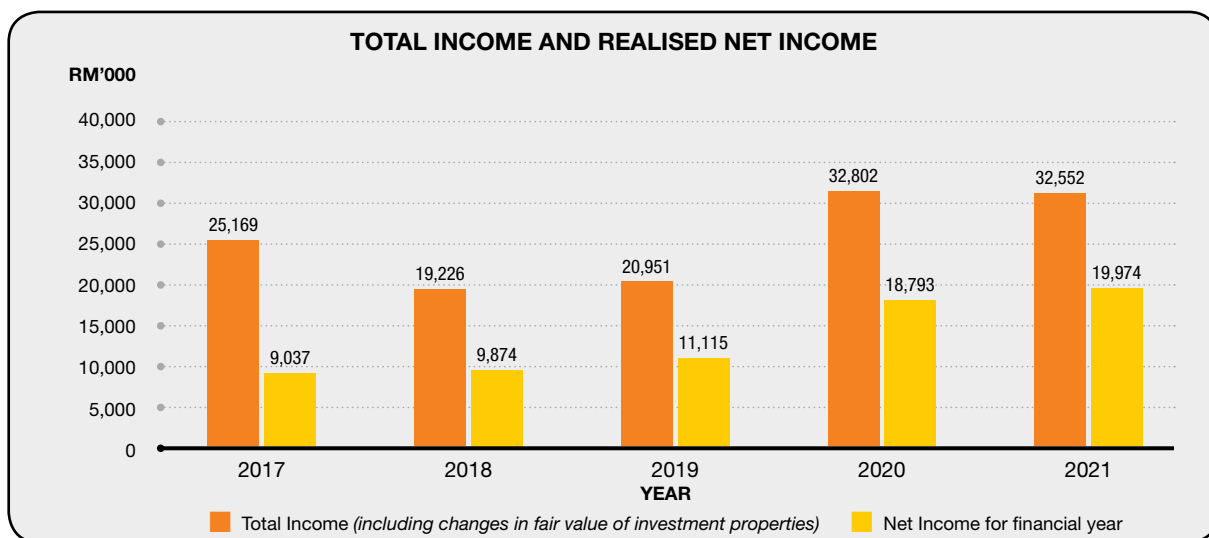
RM1.26

Net Asset Value Per Unit

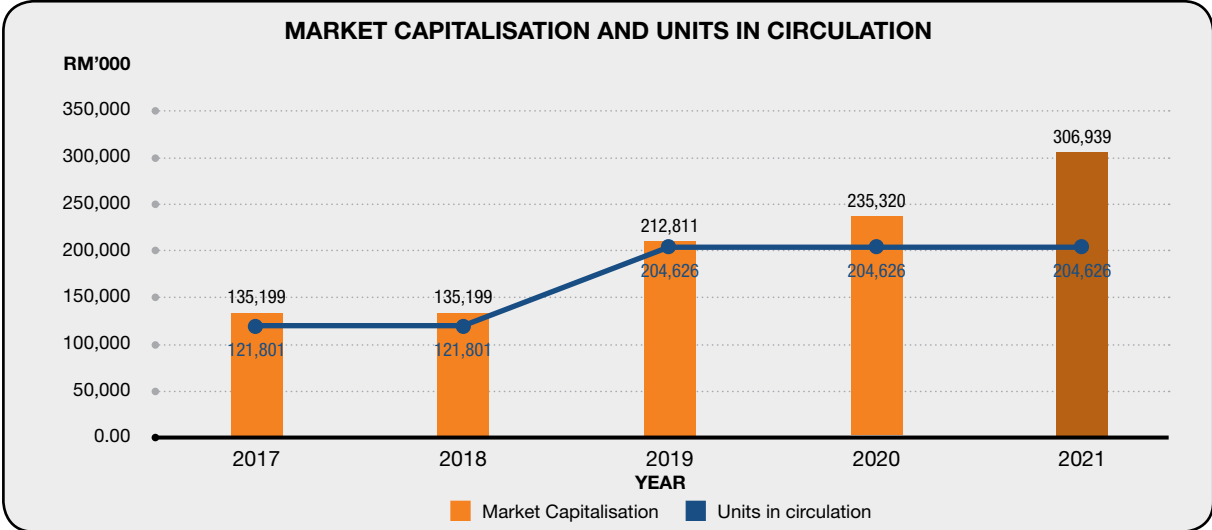
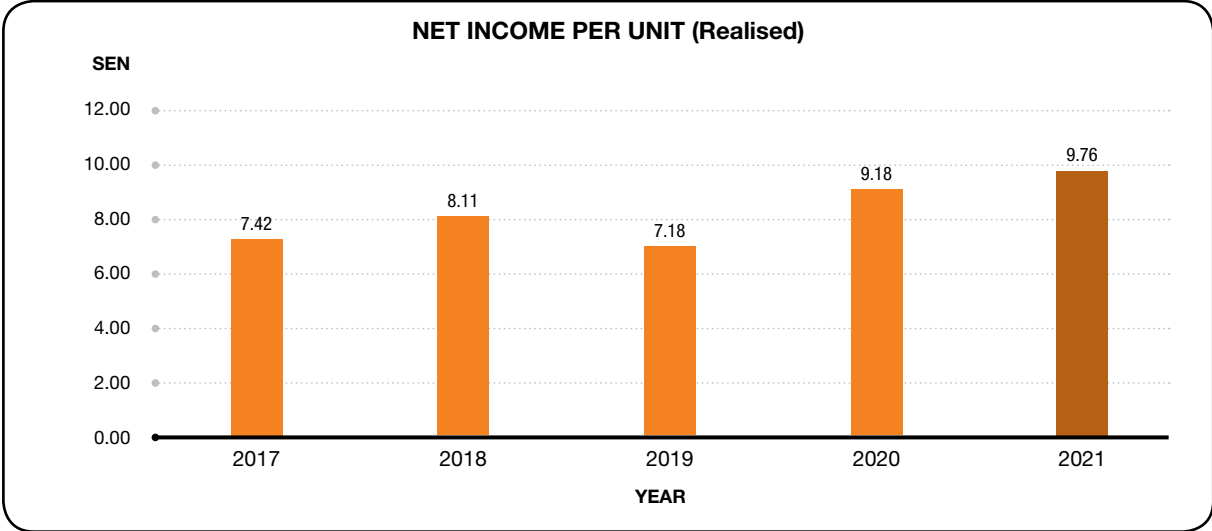
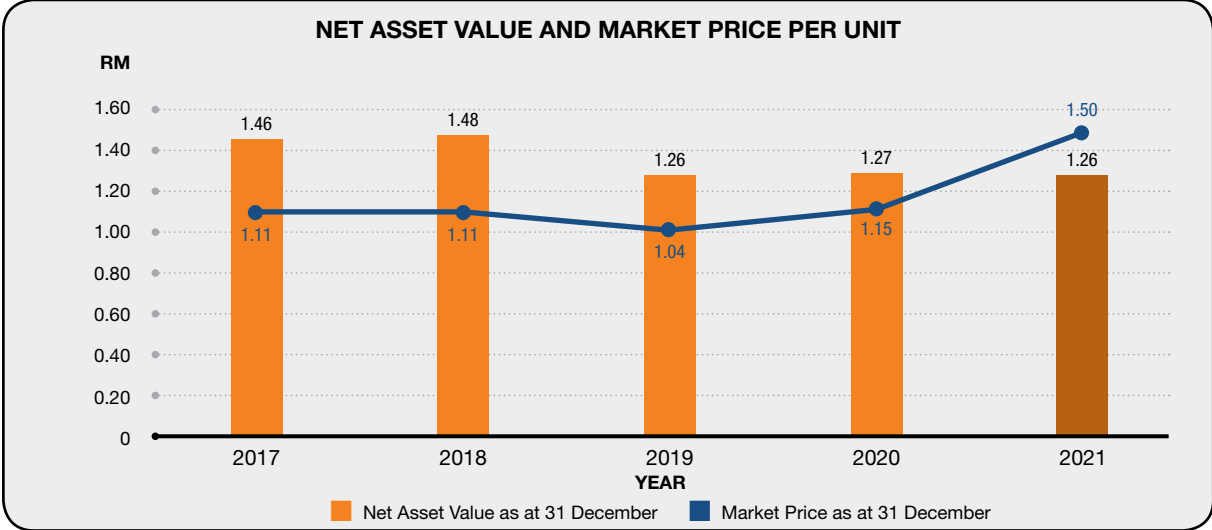
1. Based on closing market price on 31 December 2021 of RM 1.50 per unit

2. For all the properties except Atrium Shah Alam 4 which is undergoing a major Asset Enhancement Initiative

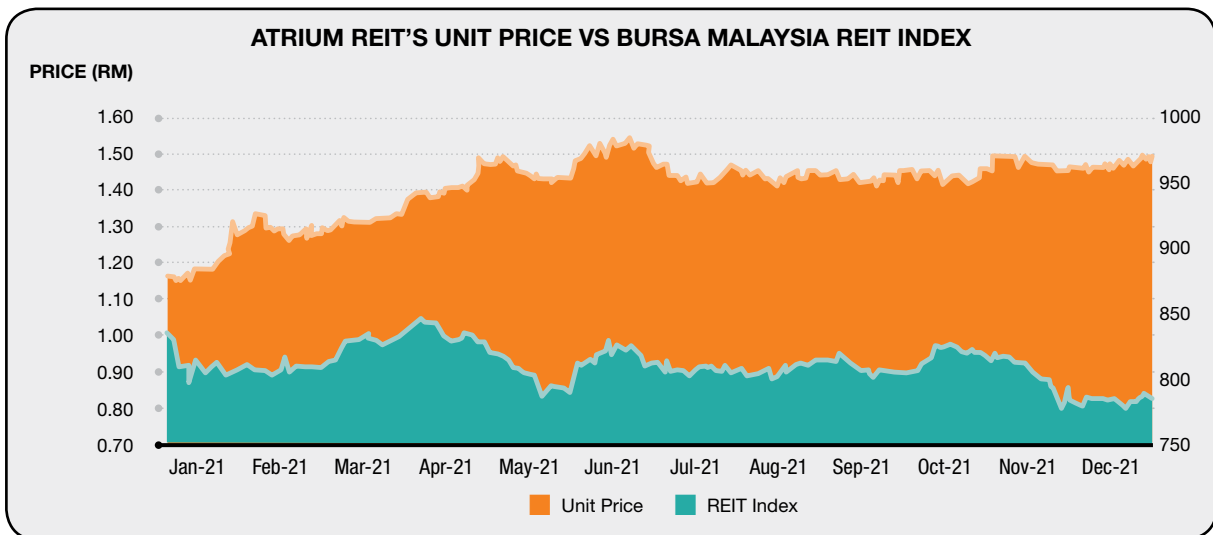
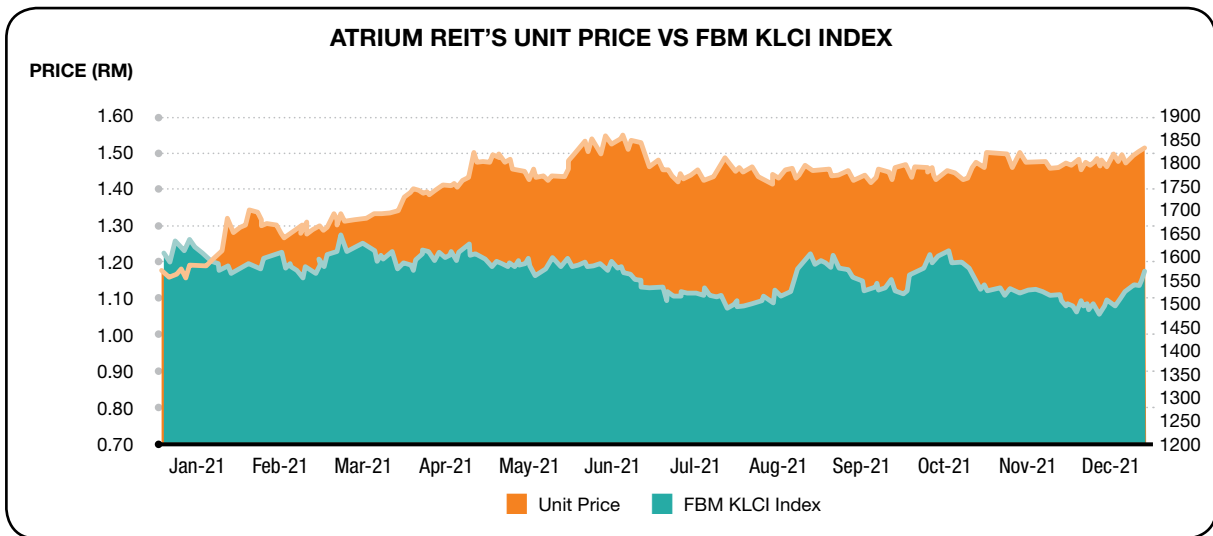
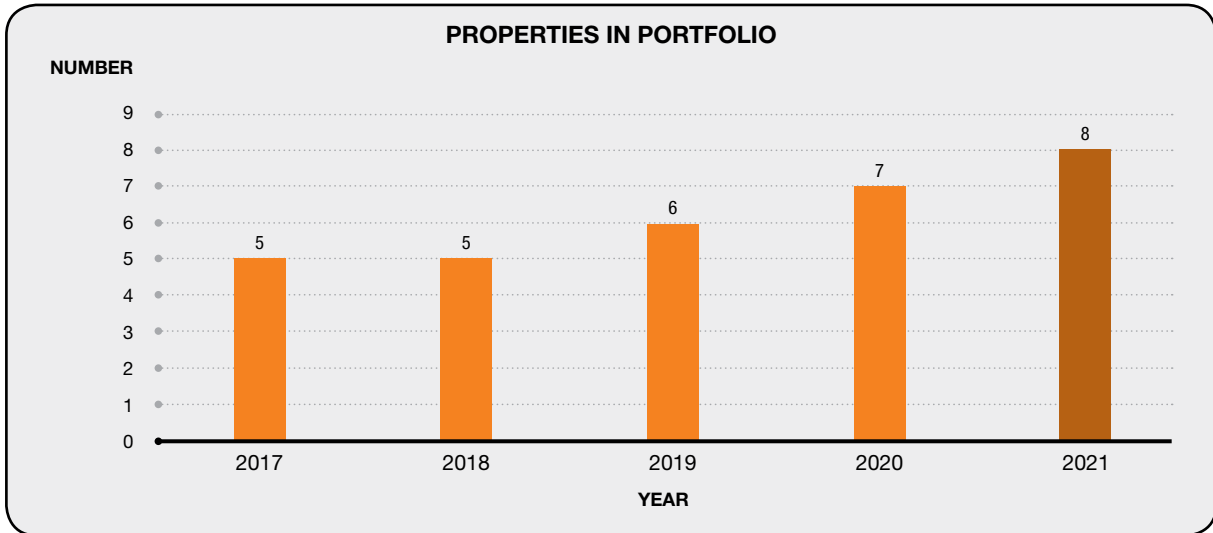
FINANCIAL HIGHLIGHTS (cont'd)



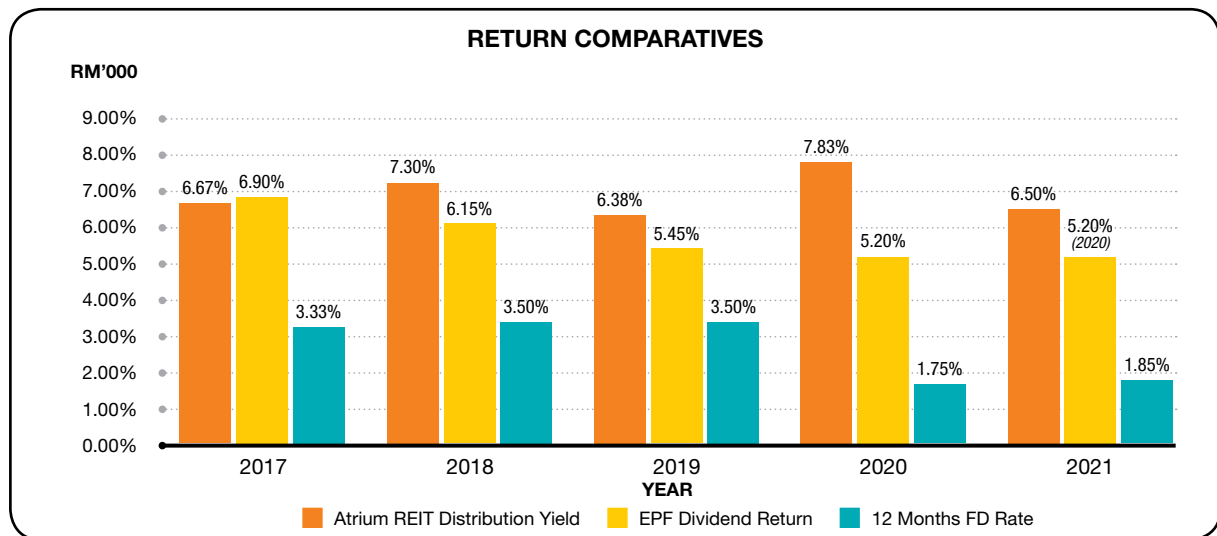
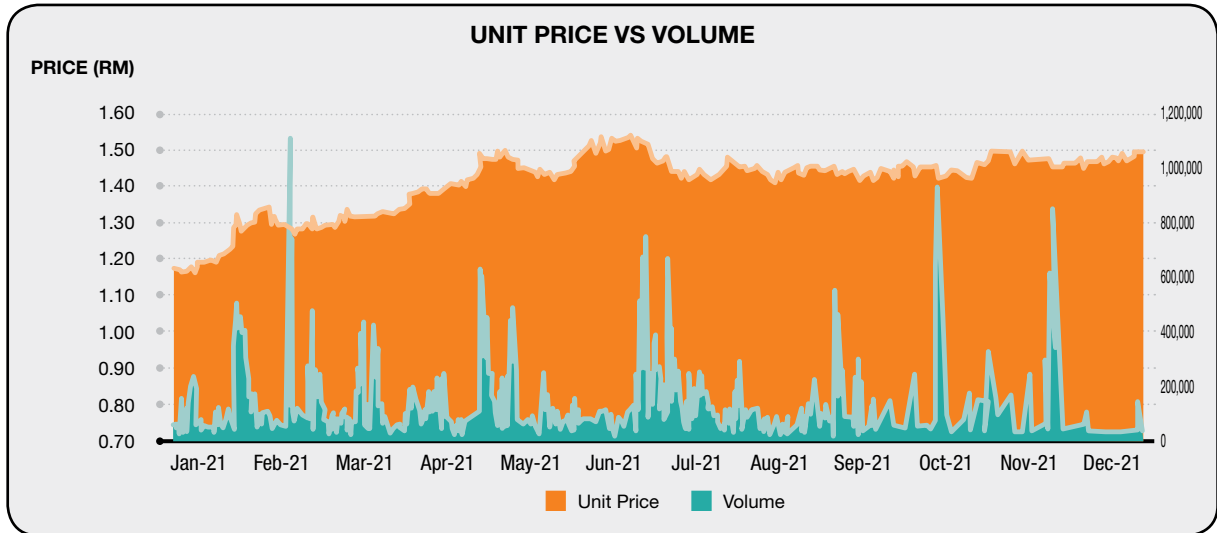
FINANCIAL HIGHLIGHTS
(cont'd)



FINANCIAL HIGHLIGHTS
(cont'd)



FINANCIAL HIGHLIGHTS
(cont'd)



PERFORMANCE DATA

I) PORTFOLIO COMPOSITION OF THE TRUST

	2017 %	2018 %	2019 %	2020 %	2021 %
Atrium Shah Alam 1	30	30	20	18	17
Atrium Shah Alam 2	28	28	17	16	15
Atrium Shah Alam 3	8	9	7	6	6
Atrium Shah Alam 4	-	-	-	-	8
Atrium Bayan Lepas 1	-	-	-	10	10
Atrium Bayan Lepas 2	-	-	27	25	23
Atrium Puchong	19	19	12	11	10
Atrium USJ	13	13	8	8	7
	98	99	91	94	96
Deposits with financial institution	2	1	9	6	4
	100	100	100	100	100

II) SUMMARY OF PERFORMANCE

	2017	2018	2019	2020	2021
Gross revenue (RM'000)	17,304	18,779	22,961	34,405	39,056
Net property income (RM'000)	15,296	17,257	21,413	32,237	36,413
Net income/(loss) for financial year (RM'000)					
- Realised	9,037	9,874	11,115	18,793	19,974
- Unrealised	9,100	1,723	(7,625)	2,165	(1,769)
Distribution per unit (sen)	7.40	8.10	6.63	9.00	9.75
Distribution yield (%)					
- based on market price as at 31 December	6.67	7.30	6.38	7.83	6.50
Annual total return (%)	7.58	7.30	0.07	16.32	34.71
- Capital return (%)	0.91	0.00	(6.31)	8.49	28.21
- Distribution yield (%)	6.67	7.30	6.38	7.83	6.50
Management Expense Ratio (MER) (%)	1.48	1.44	2.19	1.73	2.17

Capital Return is computed based on the net change in market price at the beginning and end of the financial year over the market price at the beginning of the respective financial year.

Distribution Yield is computed based on the total income distribution for the financial year over the market price at the end of the respective financial year.

Total Return is the total of Capital Return and Distribution Yield.

The calculation of MER, which have been verified by the auditors, is based on total fees of Atrium REIT incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees, administrative and other expenses, to the average net asset value of Atrium REIT for the financial year calculated on a daily basis.

PERFORMANCE DATA
(cont'd)

III) ASSET VALUE, UNIT AND MARKET PRICE INFORMATION

	2017	2018	2019	2020	2021
Asset under management (RM'000)	268,434	278,000	410,300	463,700	509,700
Total asset value (RM'000)	279,477	287,584	464,113	504,577	540,543
Net asset value (NAV)(RM'000)					
- Before proposed final distribution	180,567	182,603	261,639	265,756	263,090
- After proposed final distribution	178,313	180,045	257,076	259,617	257,872
Total borrowings (RM'000)	88,765	95,661	181,974	214,831	255,046
Gearing (%)	31.76	33.26	39.21	42.58	47.18
Units in circulation ('000)	121,801	121,801	204,625	204,625	204,625
NAV per unit – after proposed distribution					
- As at 31 December (RM)	1.46	1.48	1.26	1.27	1.26
- Highest NAV for the year (RM)	1.48	1.50	1.51	1.31	1.33
- Lowest NAV for the year (RM)	1.40	1.47	1.26	1.27	1.26
Market price per unit					
- as at 31 December (RM)	1.11	1.11	1.04	1.15	1.50
- Highest traded for the year (RM)	1.21	1.16	1.27	1.16	1.58
- Lowest traded for the year (RM)	1.08	1.06	1.02	0.81	1.14
Market Capitalisation (RM'000)	135,199	135,199	212,811	235,320	306,939

IV) DISTRIBUTIONS FOR LAST 5 YEARS

	Distribution		Net Asset Value Per Unit (RM)	
	Per Unit (Sen)	Date	Before Distribution	After Distribution
2017				
1st Quarter	1.85	31 May 17	1.41	1.39
2nd Quarter	1.85	30 Aug 17	1.41	1.39
3rd Quarter	1.85	30 Nov 17	1.41	1.39
4th Quarter	1.85	16 Mar 18	1.48	1.46
	7.40			
2018				
1st Quarter	2.00	31 May 18	1.48	1.46
2nd Quarter	2.00	30 Aug 18	1.49	1.49
3rd Quarter	2.00	30 Nov 18	1.49	1.47
4th Quarter	2.10	28 Feb 19	1.50	1.48
	8.10			

PERFORMANCE DATA
(cont'd)

(IV) DISTRIBUTIONS FOR LAST 5 YEARS (CONT'D)

	Distribution Per Unit (Sen)	Date	Net Asset Value Per Unit (RM)	
			Before Distribution	After Distribution
2019				
1st Quarter	1.40	22 Apr 19	1.50	1.48
2nd Quarter	2.00	8 Aug 19	1.43	1.41
3rd Quarter	1.00	29 Nov 19	1.30	1.29
4th Quarter	2.23	9 Mar 20	1.28	1.26
	6.63			
2020				
1st Quarter	2.00	30 Jun 20	1.28	1.26
2nd Quarter	2.00	15 Sep 20	1.29	1.27
3rd Quarter	2.00	30 Nov 20	1.29	1.27
4th Quarter	3.00	26 Feb 21	1.30	1.27
	9.00			
2021				
1st Quarter	2.50	2 Jun 21	1.30	1.28
2nd Quarter	2.20	30 Aug 21	1.30	1.28
3rd Quarter	2.50	30 Nov 21	1.31	1.29
4th Quarter	2.55	28 Feb 22	1.29	1.26
	9.75			

V) AVERAGE ANNUAL RETURN FOR ATRIUM REIT

	%
One year	34.71
Three years	17.03
Five years	13.20

Note: Average Annual Return is computed based on the Total Return per unit for the period, averaged over the number of years.

Past performance is not necessarily indicative of future performance and that unit prices and investment returns may fluctuate.

CHAIRMAN'S STATEMENT



Dear Unitholders,

On behalf of the Board of Directors and Management of Atrium REIT Managers Sdn Bhd (“the Manager”), I hereby present our Annual Report and audited financial performance for the financial year ended 31st December 2021 (“FY2021”).

In the second year of living with the Covid-19 Pandemic, 2021 was for the most part dedicated to the necessary Covid-19 containment measures such as the MCO/CMCO, the business environment has been hard pressed to operate at a sustainable level. The current situation in Malaysia however, appears to be heading under some semblance of control, with a hint of normalcy returning. Nonetheless, there still lies uncertainty of potential variants to the virus with potential wide ranging repercussions across the globe.

Atrium Real Estate Investment Trust (“Atrium REIT”) has successfully managed the unprecedented challenges brought on by Covid-19 over the financial year and the signs of economic recovery points to further achievement of its business objectives.

The business model of Atrium REIT, which is based on its portfolio of industrial properties, has proven to be comparatively resilient and this has enabled an improved financial performance for FY2021.

I am pleased to share that Atrium REIT for FY2021 has delivered growth in both gross revenue and net property income of 13.5% and 13.0% respectively, underpinned by the full year rental income from Atrium Bayan Lepas 1.

A settlement was received from a trade debtor following a consent judgment has further contributed to the improved financial performance of Atrium REIT for FY2021.

Please refer to the Management Discussion and Analysis section of this annual report for further details on Atrium REIT’s financial performance.

On the back of the improved financial performance, I am pleased to announce stronger returns to unitholders for FY2021.

ADAPTING TO THE NEW NORMAL

Due to the vaccination programmes that have been implemented across Malaysia, the nation is in a much stronger position for economic recovery compared to FY2020. However, this is not to ignore the lasting effects Covid-19 has had throughout the year and how businesses have had to change their business models and adapt to the ‘New Normal’.

The IMF has downshifted their forecasted global growth from 6% to 4.4% for 2022 due to the forecast markdowns of US and China from pandemic-induced disruptions. Throughout the year, Malaysia has had to deal with mandatory controls, with certain high-risk areas being placed under strict surveillance by the authorities.

The GDP in Malaysia is forecasted to reach USD 359 billion by the end of 2021, according to Trading Economics’ global macro models and analysts’ expectations, which is a significant improvement compared to the previous year. This could be due to reasons such as the vaccination rates increasing, adaptability to work remotely or the gradual relaxation of containment measures throughout the country. Not only will this help the economy in general but it also aids the tenants of Atrium REIT themselves who have had to manage constant disruptions to their logistics business with ports and warehouses all over the world remain congested.

CHAIRMAN'S STATEMENT (cont'd)

STRENGTHENING ATRIUM REIT REPUTATION

Goals that Atrium REIT has focused on and will continue pursuing include, providing unitholders with competitive and sustainable returns and improving the value of its assets whilst increasing net asset value ("NAV"). This, along with optimising and growing Atrium's portfolio, will remain strategic targets for the REIT heading into FY2022.

Atrium REIT has taken steps towards achieving these targets through successful renewal of tenancies and new acquisition. In times where the value of the property has been fully optimised, the Manager will then consider asset disposal as a potential option.

Further details of Atrium REIT's portfolio, business activities as well as highlights and achievements are provided in the Management Discussion and Analysis ("MD&A") section of this annual report.

Strengthening Atrium REIT's reputation is a key business aspiration and zero-tolerance approach towards corruption throughout all sectors is living testimony of how Atrium REIT has built and maintained the reputation.

Such efforts are further augmented with the introduction of our Anti-Bribery and Anti-Corruption policy and ongoing awareness to reach out to the stakeholders such as vendors, suppliers and business partners to ensure the intent and elements of this policy is well understood.

OUTLOOK AND PROSPECTS

As mentioned earlier, the Malaysian economy appears to be heading in the right direction in terms of recovery, expected to expand 3-4% this year. Positive economic activities are displayed in terms of exports, retail spending and labour market conditions.

A key factor for this economic growth can be attributed to the successful vaccination programme implemented across the targeted population of the country. This has allowed for relaxation of the SOPs and enabled businesses to operate in a similar fashion during pre-pandemic times. Employees have started returning to their offices, albeit with limited capacity, is another sign of a careful and measured approach back to business normalcy.

In addition, there have been allowances and stimulus packages given by the government to essential economic sectors to help them survive this tough period and reduce the debilitating impact brought on by the pandemic. This has resonated well with Atrium REIT's tenants, providing further economic support.

As Atrium REIT's properties are located in prime industrial locations such as Shah Alam and Bayan Lepas, the ease of access for transportation and the well-built infrastructure are what keep the REIT properties in high demand. Furthermore, the REIT properties are Grade-A industrial properties with high-specifications, another superior value proposition to attract prospective tenants.

The industrial property market itself, whilst not being too heavily affected by the pandemic compared to other businesses, is also able to capitalise on government initiatives such as the National Economic Recovery Plan ("NREP"). The tax incentives introduced has helped most of the business sectors and we remain confident of a continued positive outlook for Atrium REIT.

Whilst there is the possibility of new virus variants affecting containment measures and disrupting the economy again, it appears that businesses are better equipped to deal with the situation more efficiently than before. This along with the continued high demand for industrial property is exactly why the Board is having a positive outlook heading into FY2022 and look forward to facing the year ahead.

On behalf of the Board, I wish to express my utmost gratitude to the management and staff who have worked under less than ideal conditions and yet still managed to deliver impressive performances throughout this year. We also take this opportunity to thank our esteemed stakeholders who have been a part of our journey throughout this year.

The Board also wishes to express its gratitude to our unitholders for their continued vote of confidence and strong support. Together, we look forward to delivering a better financial and operational performance and creating value for our unitholders in FY2022.

Dato' Dr Ir Mohamad Khir Bin Harun

Chairman
Atrium REIT Managers Sdn. Bhd.

22 February 2022

MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT OBJECTIVES

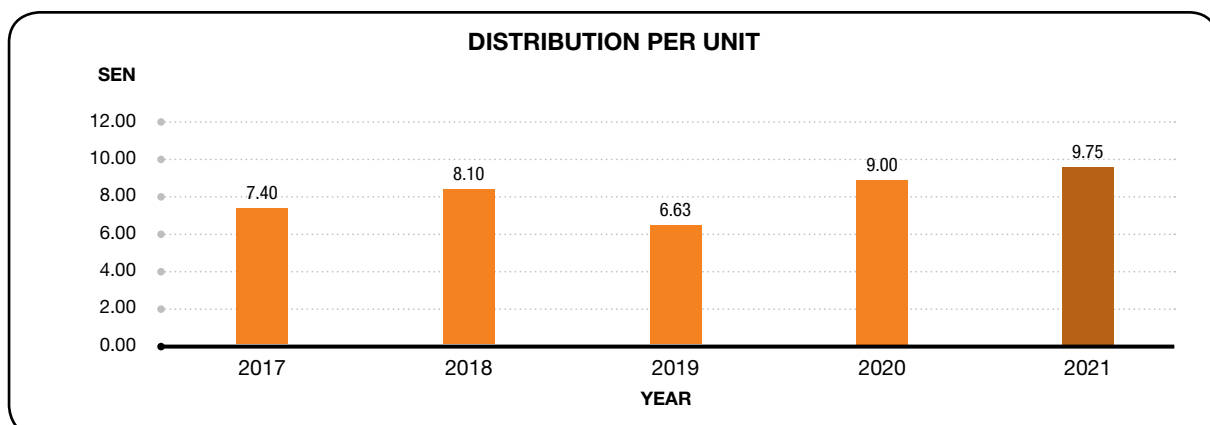
The Manager’s investment objectives are to maximise income in order to reward Unitholders annually with a stable distribution of income and to acquire quality assets to achieve long term growth in Net Asset Value (“NAV”) per unit. Aligning with its investment policies and in compliance with the Securities Commission Guidelines on Listed Real Estate Investment Trusts (“REITs Guidelines”), Atrium REIT invests in real estate, single-purpose companies whose principal assets comprise real estate, real estate-related or non-real estate related assets, cash, deposits, money market instruments, and any other investment which is permissible under the Securities Commission Guidelines on Listed Real Estate Investment Trusts (“REITs Guidelines”) or otherwise permitted by the Securities Commission.

STRATEGIES EMPLOYED

To achieve this, the Manager adopts various strategies in pursuit of value creation for Atrium REIT. Such strategies are in accordance with the Second Restated Deed and Supplementary (herewith collectively referred to as “the Deed”) and the REITs Guidelines.

<p style="text-align: center;">ORGANIC GROWTH STRATEGY</p> <ul style="list-style-type: none"> Proactive asset management and maximising tenant retention to develop leasing opportunities amidst robust budgetary controls Investment into real estate, non-real estate-related assets, cash, deposits, money market instruments, and any other investment permissible under the REITs Guidelines or by the Securities Commission 	<p style="text-align: center;">COMPLIANCE STRATEGY</p> <ul style="list-style-type: none"> Ensuring minimum 75% of total asset value is invested in real estate that generate recurrent rental income, and Careful monitoring that aggregate investments in property development activities and real estate under construction do not exceed 15% of total asset value 	<p style="text-align: center;">ACQUISITION STRATEGY</p> <ul style="list-style-type: none"> Drive for increased cashflows, yields, distribution per unit and NAV per unit via strategic acquisition of assets Capitalise on debt and equity for funding future acquisitions 	<p style="text-align: center;">FINANCING AND CAPITAL MANAGEMENT STRATEGY</p> <ul style="list-style-type: none"> Compliance with provisions of the Deed and REITs Guidelines Ensure borrowing levels do not exceed 50% of total asset value Implement a hedging strategy to mitigate against fluctuating interest rate risks Establish a balanced debt-equity structure to meet financing needs
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Through the successful implementation of such strategies, Atrium REIT has rewarded unitholders with stable and attractive returns, seen in its quarterly distribution of income commencing from the listing of Atrium REIT since April 2007.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

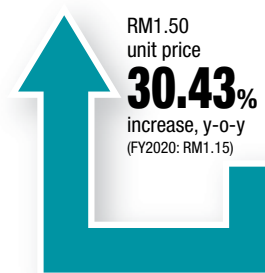
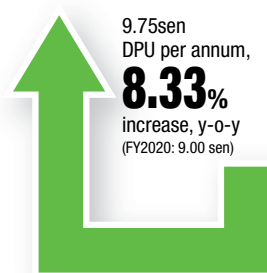
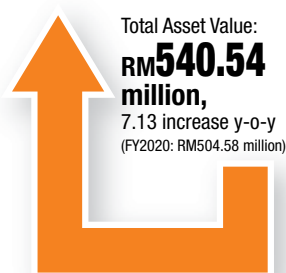
PORTFOLIO OF INVESTMENTS

During FY2021, Atrium REIT completed the acquisition of Atrium Shah Alam 4, a single storey factory and office-cum-canteen building located at Lot 7, Persiaran Raja Muda, Seksyen 16, 40000 Shah Alam, Selangor D. E. from Permodalan Nasional Berhad for a purchase consideration of RM45.0 million. Upon completion of the Asset Enhancement Initiative estimated at the end of FY2022, the property is expected to contribute stable and consistent revenue to ensure sustainable growth in Atrium REIT's distribution per unit.

Atrium REIT's total investment listing as at 31 December 2021 is as follows:

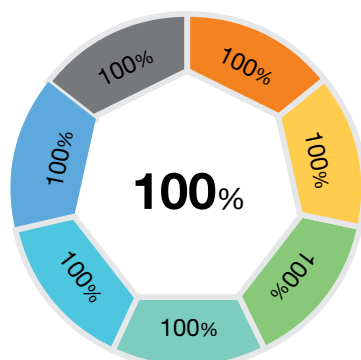
PROPERTY PORTFOLIO	MARKET VALUE (RM)	%
Atrium Shah Alam 1	91,800,000	17.2
Atrium Shah Alam 2	78,900,000	14.8
Atrium Shah Alam 3	29,600,000	5.6
Atrium Shah Alam 4	45,300,000	8.5
Atrium Bayan Lepas 1	51,000,000	9.6
Atrium Bayan Lepas 2	121,500,000	22.8
Atrium Puchong	53,400,000	10.0
Atrium USJ	38,200,000	7.2
Sub-total	509,700,000	95.7
Deposit with Financial Institution	22,745,492	4.3
TOTAL	532,445,492	100.0

Such property acquisitions are intended for long-term holding but the Manager may opt to dispose of properties and reinvest in new real estates producing better yields and attractive growth potential or may opt to distribute the proceeds to unitholders.



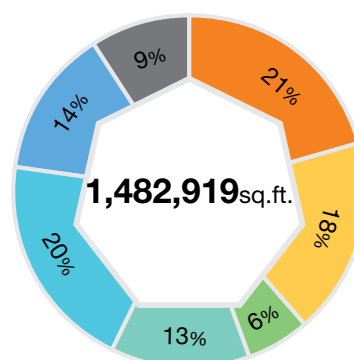
Occupancy

as at 31 December 2021*



Portfolio Composition

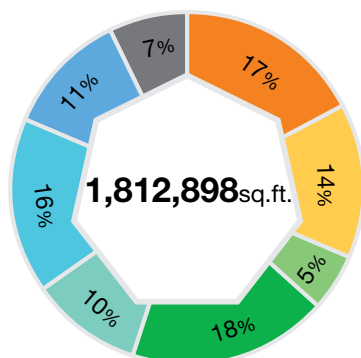
as at 31 December 2021* (Net Lettable Area)



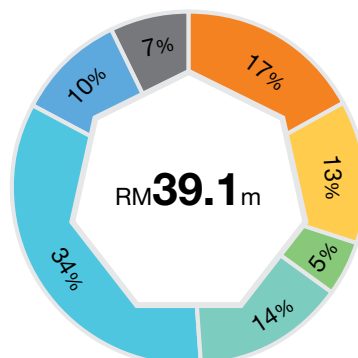
- Atrium Shah Alam 1
- Atrium Shah Alam 2
- Atrium Shah Alam 3
- Atrium Bayan Lepas 1
- Atrium Bayan Lepas 2
- Atrium Puchong
- Atrium USJ

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

Portfolio Composition Post
Atrium Shah Alam 4 AEI (Net Lettable Area)



Gross Revenue for FY2021 *



- Atrium Shah Alam 1
- Atrium Shah Alam 2
- Atrium Shah Alam 3
- Atrium Shah Alam 4
- Atrium Bayan Lepas 1
- Atrium Bayan Lepas 2
- Atrium Puchong
- Atrium USJ

* Exclude Atrium Shah Alam 4 which is undergoing a major Asset Enhancement Initiative

Property	Occupancy (%)	Portfolio Composition (Net Lettable Area) (sq ft)	Gross Revenue by Property (%)
Atrium Shah Alam 1	100	311,736	17
Atrium Shah Alam 2	100	259,933	13
Atrium Shah Alam 3	100	90,670	5
Atrium Bayan Lepas 1	100	189,932	14
Atrium Bayan Lepas 2	100	298,569	34
Atrium Puchong	100	203,994	10
Atrium USJ	100	128,085	7
Total	100	1,482,919	100

LOCATION OF PROPERTIES

All Atrium REIT's properties are strategically located in prime industrial areas and this has enabled continuous and stable demand, such that Atrium REIT enjoys 100% occupancy rate; with the exception of Atrium Shah Alam 4, which is undergoing a major Asset Enhancement Initiative. This is all the more commendable given the ongoing challenges brought on by the pandemic, affecting a large portion of the economy.

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

REVALUATION OF INVESTMENT PROPERTIES

In accordance with Paragraph 10.02(b) (i) of the Listed REITs Guidelines and the Malaysian Financial Reporting Standard 140, a revaluation of investment properties was performed at the financial year-end. A summary of the fair value changes of each investment property for FY2021 is as follows:

Property	Net Book Value before Revaluation (RM'000)	Fair Value as at end FY2021 (RM'000)	Revaluation Gain/ (Loss) (RM'000)
Atrium Shah Alam 1	91,300	91,800	500
Atrium Shah Alam 2	78,352	78,900	548
Atrium Shah Alam 3	29,600	29,600	-
Atrium Shah Alam 4	46,836	45,300	(1,536)
Atrium Bayan Lepas 1	51,000	51,000	-
Atrium Bayan Lepas 2	122,700	121,500	(1,200)
Atrium Puchong	53,400	53,400	-
Atrium USJ	38,200	38,200	-
TOTAL	511,388	509,700	(1,688)

The Manager is guided by the following investment criteria:



MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

Tenancy at Atrium USJ Block B was taken up by an existing adjacent tenant for 3 years whilst a new lessee had taken up a 6-year lease term at Atrium Shah Alam 1, a testimony of Atrium REIT's proactive leasing management for long-term business sustainability.

ASSET ENHANCEMENT INITIATIVES ("AEI") AND PROPERTY ACQUISITION

One of the Manager's roles is to conduct ongoing evaluation of Atrium REIT's property portfolio for AEIs that would improve and optimise the assets' performance and competitiveness in order to generate better rental yields. This includes managing occupancy, strengthening the operating business environment for its tenants and to enhance property condition and value.

On 24 February 2021, the Manager has successfully acquired a property located in Section 16, Shah Alam, namely Atrium Shah Alam 4 (ASA4) from Permodalan Nasional Berhad for a purchase consideration of RM45.0 million. This acquisition was funded partly by debt and partly by internal funds, as part of the financing and capital management strategy to optimise a balanced debt-equity structure and at the same time maximise returns to unitholders. The Manager is now in the progress of carrying out Asset Enhancement Initiatives to upgrade the property into a Grade-A 2-storey ramped-up logistics warehouse, which is expected to be completed by end of 2022.

FINANCIAL PERFORMANCE

The financial year ended 31 December 2021 showcased the resilience of Atrium REIT in weathering the adverse economic impact of the pandemic.

Progressing steadily forward with current properties and new acquisition, namely ASA 4, Atrium REIT's financials proved strong, showing significantly stronger reportings for revenue and earnings which had a direct impact on income distribution per unit. As at 31 December 2021, market capitalisation stood at RM306,938,520 representing 30.4% increase over the previous financial year. Based on the unit price of RM1.50, the trading price premium to NAV as at 31 December 2021 was 16.67% (FY 2020: Trading price discount of 11.45%)

	FY2021 (RM'000)	FY2020 (RM'000)	%
GROSS REVENUE	39,055	34,404	13.5%
Less Property Expenses	(2,643)	(2,167)	22.0%
Net Property Income	36,413	32,237	13.0%
Interest and Other Income	1,329	964	37.9%
Total Income	37,741	33,201	13.7%
Change in Fair Value of Investment Properties	(5,189)	(400)	1,197.3%
Trust Expenses	(5,806)	(4,568)	27.1%
Finance Costs	(8,460)	(7,123)	18.8%
Profit for the Financial Year	18,205	20,958	(13.1%)
Profit for the Financial Year is made up as follows:			
– Realised Profit	19,974	18,793	6.3%
– Unrealised Profit/(Loss)	(1,769)	2,165	(181.7%)
Income Distribution	19,951	18,416	8.3%
Distribution per unit (sen)	9.75	9.00	8.3%
Annual Total Return	34.7%	16.3%	112.9%
Capital Return	28.2%	8.5%	231.8%
Distribution Yield	6.5%	7.8%	(16.7%)
Management Expenses Ratio ("MER")	2.17%	1.73%	25.4%

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

GROSS REVENUE

Gross revenue comprises rental income received from the rental of Atrium REIT's investment properties. For the FY 2021, Atrium REIT recorded a significantly positive performance of RM39.1 million, reflecting a higher year on-year. This is inclusive of RM3.5 million, being rental income accounted for on a straight line basis over the lease term of an ongoing lease, in compliance to the requirements of MFRS16. This represented a 13.5% increase over FY 2020.

This is a continuing strong upward trend from income stream originating towards the end of the previous financial year, namely from Atrium Bayan Lepas 1 ("ABL 1") which commenced in October 2020 and the positive rental revision in the new lease at Atrium Shah Alam 1.

PROPERTY EXPENSES

In tandem with the acquisition of ASA4, repair and maintenance costs as well as increase in property management expenses of Atrium REIT's assets, property expenses correspondingly increased to RM2.6 million, a 22.0% increase over RM2.2 million in FY2020.

Such expenses are necessary, to maintain the high quality standards of Atrium REIT's portfolio and tenants' stringent expectations. This is also to align with strategic business intent, as this enables higher asset value retention which would hence support higher rentals.

NET PROPERTY INCOME

The net property income for FY 2021 was RM36.4 million, an increase of 13.0% over the RM32.2 million achieved in FY2020. This increase was mainly due to the higher gross revenue. The increase in gross revenue was mainly from ABL1's rental income which commenced in October 2020 and in FY 2021 a full year's rental income was recognised.

CHANGE IN FAIR VALUE

The change in fair value of investment properties were due to revaluation losses off-set by the recognition of unbilled lease income receivables in accordance with MFRS 16.

TRUST EXPENSES

Trust expenses for FY2021 stood at RM5.8 million, a significant increase of 26.1% over the corresponding period with RM4.6 million. This was mainly due to the Manager's fees and significantly higher 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. Administrative expenses increased significantly as a result of a one-off payment of the real estate agents' fees, amortisation 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.

FINANCE COSTS

Finance costs in FY2021 recorded RM8.5 million, an increase of 19.7% over RM7.1 million in FY2020. This was due to the issuance of MTN Tranche 3 to finance the acquisition of ASA4. The increase in the finance costs in the financial year was moderated by the lower interest rates as a result of Bank Negara cutting its Overnight Policy Rate to 1.75% in July 2020 and maintaining it at the same rate throughout 2021.

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

PROFIT FOR THE FINANCIAL YEAR

In FY2021, Atrium REIT's returned a profit of RM18.2 million, a 13.3% decrease compared to the FY2020's RM21.0 million profit. This was largely attributable to the significant increase in the losses arising from changes in fair value of investment properties. However, the profit for the financial year (realised) increased 6.3% to approximately RM20.0 million as a result of the higher gross revenue and reversal of impairment loss on trade receivables following a consent judgement obtained on 19 January 2021.

INCOME DISTRIBUTION

The Board of Directors of the Manager had declared a final income distribution of 2.55 sen per unit for the 4th quarter of FY2021, payable on 28 February 2022. The final income distribution, alongside the aggregate interim income distributions during the financial year of 7.20 sen per unit, represents a total distribution per unit of 9.75 sen for FY2021 (FY2020: 9.00 sen).

ANNUAL TOTAL RETURN

The significant increase in Annual Total Return is due mainly to the increase in Capital Return. Capital Return increased as a result of the increase in the unit price of Atrium REIT to RM1.50 per unit as at 31 December 2021 (FY2020: RM1.15 per unit).

MANAGEMENT EXPENSES RATIO ("MER")

MER increased significantly due to the increase in Manager's fees 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 whereas the Trustee's fees increased to 0.08% per annum of the Net Asset Value of the Trust, whilst the significant increase in the administrative expenses was due mainly to the one-off payment of the real estate agents' fees, amortisation of consent fees for ABL1 and the stamp duty for the land lease extension of Atrium Bayan Lepas 2.

REVIEW OF FINANCIAL POSITION

Financial Indicators	FY2021 (RM'000)	FY2020 (RM'000)	%
Asset under Management	509,700	463,700	9.9
Trade and Other Receivables	6,328	9,630	(34.3)
Deposits with a Licensed Bank	22,745	30,386	(25.1)
Bank Balances	1,770	861	105.6
Total Assets	540,543	504,577	7.1
Total Borrowings	255,046	214,831	18.7
Trade and Other Payables	14,933	16,597	(10.0)
New Asset Value	263,090	265,756	(1.0)
Gearing (%)	47.2	42.6	10.8
Units in Circulation ('000)	204,626	204,626	-
Market Capitalisation	306,939	235,320	30.4
Net Asset Value per unit (RM)			
• Before Income Distribution	1.2857	1.2987	(1.0)
• After Income Distribution	1.2602	1.2687	(0.7)
Market Price as at 31 December (RM)	1.50	1.15	30.4

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

ASSET UNDER MANAGEMENT

Asset under Management had increased by 9.9% to RM509.7 million due to the acquisition of ASA4 despite a net loss in the revaluation of investment properties at the end of 2021.

TRADE AND OTHER RECEIVABLES

The decrease in trade and other receivables was mainly attributed to the deposit paid for the acquisition of ASA4 being reclassified to investment property upon the completion of acquisition of ASA4 in February 2021.

LITIGATION REPORT

Atrium REIT has a pending litigation matter with a former tenant, details of which have been announced on the Bursa Malaysia, Atrium REIT websites and the Corporate Governance Overview Statement herein.

BORROWINGS

Atrium REIT's borrowings recorded an increase of just over RM 40.2 million to RM 255.0 million for FY2021 mainly due to the issuance of MTN Tranche 3 in March 2021 to finance the acquisition of ASA4. Atrium REIT aims to reduce this gearing ratio moving forward by looking at alternative options to finance acquisitions such as equity financing. The current strong cash position and balance sheet enables Atrium REIT to meet its debt obligations while maintaining sufficient cash flow to meet working capital requirements.

Indicators	FY2017 (RM'000)	FY2018 (RM'000)	FY2019 (RM'000)	FY2020 (RM'000)	FY2021 (RM'000)
Total Borrowings	88,765	95,661	181,974	214,831	255,046
Current					
– STRC	39,600	39,600	39,600	39,600	39,600
– OD	-	22,830	2,143	-	4,215
Non-Current					
– TL	20,000	20,000	-	-	-
– TL 2	10,765	10,765	10,765	10,765	10,765
– TL 3	18,400	18,400	18,400	18,400	18,400
– TL 4	-	4,066	4,066	4,066	4,066
– MBB TL	-	-	20,000	20,000	20,000
– MTN – Tranche 1	-	-	-	35,000	35,000
– MTN – Tranche 2	-	-	87,000	87,000	87,000
– MTN – Tranche 3	-	-	-	-	36,000
Total Asset	279,477	287,584	464,113	504,577	540,543
Gearing (%)	31.76	33.26	39.21	42.58	47.18
Interest Rate (%)	4.30 to 4.57	4.31 to 5.47	4.28 to 5.47	2.91 to 3.51	2.91 to 3.51

TRADE AND OTHER PAYABLES

Included in trade and other payables is amount owing to tenants, amounting to RM13.3 million (2020: RM15.2 million), for the security and utilities deposits paid by tenants.

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

NET ASSET VALUE (“NAV”)

As at 31 December 2021, NAV and NAV per unit decreased marginally by 1.0% to RM263.1 million and RM1.2857 per unit compared to RM265.8 million and RM1.2987 per unit respectively in FY2020. The decrease is due to the loss in fair value of investment properties.

UNITHOLDERS CAPITAL

There was no change in the unitholders capital since FY2020 as no corporate exercise was carried out in FY2021. The balance of the net proceeds raised from the Rights Issue carried out in 2019 has been earmarked for the extension of the tenure of land leases for ABL1 and Atrium Bayan Lepas 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.

Rights Issue of 58,464,480 Units

Purpose	Proposed Utilisation (RM million)	Actual Utilisation (RM million)	Deviation (RM million)	Balance		Intended Timeframe 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	

UNIT PRICE AND MARKET CAPITALISATION

As at 31 December 2021, market capitalisation stood at RM306,938,520, 30.4% higher year-on-year. Based on the unit price of RM1.50, the trading price premium to NAV as at 31 December 2021 was 16.67% (FY2020: trading price discount to NAV of 11.45%).

STRENGTHENING CORPORATE GOVERNANCE

Atrium REIT is cognisant that corporate governance is the framework that defines the business relationships that exist between company shareholders, management teams, the Board and all other key stakeholders. The importance of corporate governance cannot be emphasised enough and the development of associated policies that are enforceable and applied consistently is also critical.

Initiatives to further strengthen Atrium REIT’s corporate governance are as follows:

- **Nominating Committee**

In addition to the existing Audit Committee, Atrium REIT has established a Nominating Committee as a best practice, comprising the following members:

- i Chan Wan Seong, Independent Director - Chairman
- ii Chng Boon Huat, Independent Director - Member
- iii Soong Kwong Heng, Independent Director - Member

Formed on 28 October 2021, its main role is to evaluate performance of Board members and acts as an independent party to screen the recruitment of new Directors and Senior Management.

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

- Courses were conducted to members on the Board and Senior Management as follows:

1 Anti-Bribery and Anti-Corruption (ABAC) Policy (Refresher)

Reaffirm stringent code and compliance to corporate ethics and integrity to staff. In addition, awareness on ABAC Policy was cascaded to suppliers via an assessment form; their response is currently being collated. A briefing session to suppliers is under consideration for 2022.

2 Malaysian Code on Corporate Governance (MCCG) 2021 (Updates)



Provides better adoption of best practices and latest guidelines to companies.

- On the 27th of July 2021, the Chairman of the Audit Committee endorsed the AMLA (Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001) policy with the approval of the Board.

UNITED NATIONS SUSTAINABILITY DEVELOPMENT GOALS (UNSDGS)



In light of growing focus on UNSDGs, Atrium REIT has identified the following goals of relevance to the business:

UNSDG	Description
	<ul style="list-style-type: none"> • Providing healthy refreshments for staff
	<ul style="list-style-type: none"> • Adhering to strict SOPs during pandemic • Implemented flexible office work schedule to prevent office cluster during pandemic

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)



Management handing over meals/ refreshments to Staff

INDIRECT ECONOMIC VALUE

Property	Water (RM)	Electricity (RM)
Atrium Shah Alam 1	44,726.18	617,996.50
Atrium Shah Alam 2	28,216.84	383,669.43
Atrium Shah Alam 3	3,784.22	422,845.47
Atrium USJ	13,758.60	133,613.14
Atrium Puchong	53,537.94	223,441.72
Atrium Bayan Lepas 1	230,935.18	6,557,892.59
Atrium Bayan Lepas 2	571,393.54	14,331,325.35
TOTAL	946,352.50	22,670,784.20

Note: Figures for November and December 2021 were extrapolated due to ongoing bill collection.

Atrium REIT has commenced recording the above utilities at its properties, with a view to optimising consumption and increasing savings.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

GLOBAL OUTLOOK

According to IMF's World Economic Outlook Update (October 2021), the global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022. While the overall global growth outlook remained significantly unchanged, there were offsetting revisions between advanced economies ("AEs"), which were revised upwards, and emerging market economies ("EMEs") which were revised downwards. This reflects pandemic developments especially with regards to vaccination rates, differences in the extent of policy support and availability of policy space. With higher vaccination rates, AEs are expected to be able to manage resurgences in COVID-19 infections with relatively lighter containment measures. This, along with improvement in domestic demand, will support the recovery momentum for AEs by the end of the financial year and into 2022.

In some emerging market and developing economies, price pressures are expected to persist because of elevated food prices, lagged effects of higher oil prices, and exchange rate depreciation lifting the prices of imported goods. However, great uncertainty surrounds inflation prospects—primarily stemming from the path of the pandemic, the duration of supply disruptions, and how inflation expectations may evolve in this environment.

(Source: Bank Negara Malaysia and IMF, October 2021)

MALAYSIA ECONOMIC OUTLOOK

The Malaysian economy was heading toward a broad recovery in 2021 as compared to last year but a resurgence of COVID-19 cases necessitated a more cautious easing of nationwide containment measures, which would weigh on growth. Nevertheless, its impact will be mitigated by continued allowances for essential economic sectors to operate, higher adaptability to remote work, as well as increased automation and digitalisation. Growth will continue to be supported by policy measures, which will provide cash flow support, particularly for affected households and businesses.

Although the domestic economy is expected to expand by 3.0 – 4.0% for 2021, the pace of recovery will be uneven across sectors. However, the recovery is expected to gain momentum over 2022, supported by normalisation of economic activities as well as the positive spill overs from continued improvement in external demand. The balance of risks remains tilted to the downside, arising mainly from pandemic-related factors, such as delay in the easing of containment measures or imposition of tighter containment measures and a weaker-than-expected global growth recovery.

Moving forward, the economic recovery will be underpinned by higher external demand and gradual improvement in domestic demand. The rapid progress of the nationwide vaccination programme will allow economic sectors to be gradually reopened and provide some lift to household and business sentiments to enable a steadily accelerating economic growth.

(Source: Bank Negara Malaysia)

PROPERTY SECTOR OUTLOOK

Real estate prices will be expected to climb next year. This was the sentiment from the latest Juwai IQI survey of Malaysian consumers, in which the majority of respondents believe that property prices will rise by December 2022. Buyer preferences have also changed dramatically in the ongoing Covid-19 pandemic, vastly different from those prior to the pandemic. In this particularly uncertain outlook, what's clear is that the pandemic is bringing massive changes to the real estate industry, driven by how Malaysians choose to operate in the new normal environment.

The rapid pace of the ongoing vaccination programme, coupled with latest medical interventions is improving this outlook. This is expected to increase household spending and consumer desire in 2022, leading to a likely increase in property demand.

In addition, urbanisation and global wave of rising asset costs is pushing prices up higher than predicted. Whilst the pandemic has temporarily slowed the rate of urbanisation, the rural-urban population shift will resume once the pandemic has settled.

Taking all factors into consideration, the Board is optimistic of seeing a steadily increasing positive growth in the industrial real estate sector in the financial year ahead.

(Source: <https://www.iqiglobal.com>)

MANAGEMENT DISCUSSION
AND ANALYSIS
(cont'd)

INDUSTRIAL PROPERTY SUB-SECTOR OUTLOOK

Despite the myriad of challenges facing Malaysia, from the ongoing Covid-19 pandemic to the political instability, the industrial property sector nonetheless remains a growth driver for the real estate market.

Receptiveness and expectations of the advent of the industrial revolution 4.0 (IR4.0) have been reassuringly positive. The IR 4.0 coming onboard and fast-paced e-commerce will be the main contributors to the demand for industrial real estate.

The gradual lifting of Covid-19 restrictions on the business sector, the National Economic Recovery Plan (NERP) and Malaysian Economic and Rakyat Protection Assistance Package (PERMAI) will strengthen demand for industrial properties. This will be further augmented by transactional activities which were delayed during the movement control order but now expected to pick up. In addition, there is renewed expectation of the New Industrial Master Plan 2021-2030 which will chart the future direction of industrial development in Malaysia.

According to the CBRE WTW Real Estate Market Outlook Report 2021, the industrial sector gained traction on the rapid uptake of e-commerce, largely the default means of shopping during the movement restriction period. This has led to more than RM100 billion worth of investments in 2020 and an improved logistics sector and warehouse demand.

Matured and sought-after areas will remain a popular location for manufacturers or warehouse operators. However, continued political instability and a resurgence of the Covid-19 pandemic may deter foreign, as well as local investors, to set up or expand their businesses in Malaysia

(Source: <https://www.starproperty.my/news/industrial-property-sector-saves-the-day/121246>)

KLANG VALLEY INDUSTRIAL PROPERTY MARKET OUTLOOK

In 2021 there was consolidation in investments due to the uncertainty brought about by the Covid-19 outbreak and imposition of the movement control orders. Strict containment measures such as travel restriction had resulted in limited new foreign entries into the market.

Stakeholders in the industrial property segment around the Klang Valley adopted heightened caution in formulating their plans as they navigated through the difficult operating environment. Developers, investors and local prospective buyers adopted a wait-and-see approach, hence conserving cash.

The pandemic however, had a silver lining for the logistics industry, bringing a structural shift towards omni-channel retailing. This e-commerce boom augurs well for the industrial property market due to growing warehouse space requirements to cater to the surge in last-mile delivery cum collection.

Within the Klang Valley itself, the Manufacturing sector expanded 26% q-o-q and continued to drive GDP growth, supported by external demand. For the first half 2021, it attracted RM4.1 billion approved investments, where 86% or RM3.53 billion were domestic investments due to significant expansion of existing manufacturers especially in rubber and pharmaceutical.

Prime industrial locations such as Shah Alam and Klang are the preferred locations of investors. Notable completed warehousing in 2021 are Xin Hwa Centre, Leshaco DC (Shah Alam) and IKEA DC (Pulau Indah).

A notable transaction is the RM100 million joint-venture of Sime Darby Property and LOGOS for a 177-acre land in Bukit Raja. The proposed joint-venture is for developing the site into logistics and warehousing facilities.

Moving forward, there is positive, sustained interest in the logistics industry supported by strong demand for warehouse and distribution facilities.

(Sources: Ref: Knight Frank Malaysia's the Real Estate Highlights 1st half of 2021 ("REH"); <https://www.starproperty.my/news/industrial-property-sector-saves-the-day/121246>; <https://cbre-wtw.com.my/klang-valley-property-market-3q-2021/>)

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK

Penang, ranked third in the country with a total manufacturing investment of RM14.1 billion in 2020, garnered RM1.08 billion worth of approved manufacturing investments from 40 projects in 1Q2021 itself. The industrial sector continues to remain as the State's economic anchor in promoting high-tech industries, such as electronics & electrical (E&E), machinery and equipment (M&E) and medical technology industry.

Additionally, the Penang State Government aims to promote its global business services and to continue expanding its industrial land bank following the encouraging take-up rate at the Batu Kawan Industrial Park. Penang's medical and logistics industries are on the upward trend and once the pandemic is under control, there would be more investment activities returning to Penang.

In the manufacturing space, there is more interests surfacing in the electrical and electronics (E&E) sector driven by the global shortage of semiconductors as well as the 5G network roll-out. The E&E sector is amongst the top performers amongst key indices such as manufacturing output, export as well as manufacturing sales. Despite the temporary slowdown in this sector, the supply chain, logistics, warehousing, and distribution hubs still play an important role and see increased demand,"

The Penang property market remained active despite the ongoing Covid-19 pandemic and weak consumer sentiment, coupled with the poor global economic outlook. The industrial property sector is foreseen to be sustained by the strong existing presence of high value industries and trained workers in Penang. There will be opportunities from the reconfiguration of the global supply chain and new industries arising post-Covid-19.

An active market is anticipated to persist as the industrial sector was the least affected as compared to other economic sectors.

(Source: https://cbre-wtw.com.my/wp-content/uploads/2021/01/2021-Real-Estate-Market-Outlook_Malaysia-1.pdf)

PROSPECTS & PRIORITIES

Atrium REIT has performed commendably over the FY2021 despite the tumultuous challenges brought about by the ongoing pandemic. This is essentially due to its strategies focusing primarily on organic growth, compliance and acquisition, as well as its financing and capital management strategy.

Such strategies will remain undiluted in the financial year ahead, geared primarily toward ensuring continued financial and sustainable returns for its unitholders.

However, the company is ever mindful of potential situations where supply could outpace demand, requiring prudent and decisive action to capitalise on or mitigate its impact. Given the emergence of the seemingly more easily transmissible Omicron variant, there is still a chance that the road to full recovery could be longer. However, given the strong performance of Atrium REIT over the last financial year and the proven resilience of its Manager to adopt various strategies in pursuit of value creation, we are confident of facing the challenges head-on.

Moving forward, Atrium REIT will continue to explore properties in ideal locations for potential acquisition and review innovative efforts for optimal land usage. To complement such initiatives, the REIT would review and adopt appropriate avenues of financing, working in collaboration with established financial investment institutions.

Aiming to maintain 100% occupancy for its properties, Atrium REIT will strive to ensure strong corporate branding and superior value proposition of its assets in the financial year ahead.

PROPERTY PORTFOLIO



ATRIUM SHAH ALAM 1

Property	: Atrium Shah Alam 1
Address	: Lot 1-8, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia
Title details	: GRN 177482 for Lot No. 38264, Pekan Baru Hicom, District of Petaling State of Selangor Darul Ehsan, Malaysia
Property type	: Industrial
Description	: A single storey warehouse annexed with a four storey office building having a total Net Lettable Area measuring approximately 311,736 sq.ft.
Year of completion	: 2005
Land details	: Freehold land measuring approximately 573,124 sq.ft.
Existing use	: Factory and office
Parking spaces	: 191 car bays 105 motorcycle bays 30 lorry bays
Date of acquisition	: 2 April 2007
Cost of acquisition	: RM57,200,000
Lessee	: Ninja Logistics Sdn Bhd
Occupancy	: 100%
Lease Period	: 6 years, expiring on 31 May 2027
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Short Term Revolving Credit facility of RM 39,600,000
Latest valuation	: RM 91,800,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: RM500,000
Net book value	: RM91,300,000

PROPERTY PORTFOLIO (cont'd)



ATRIUM SHAH ALAM 2

Property	: Atrium Shah Alam 2
Address	: Lot 7A, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan, Malaysia
Title details	: Lot No. P.T. 90 held under H.S.(D) No. 188265, Pekan Baru Hicom, District of Petaling, State of Selangor Darul Ehsan, Malaysia
Property type	: Industrial
Description	: A single storey warehouse annexed with a double storey office building having a total Net Lettable Area measuring approximately 259,933 sq.ft.
Year of completion	: 2004
Land details	: Freehold land measuring approximately 522,706 sq.ft.
Existing use	: Warehouse and office
Parking spaces	: 125 car bays 129 motorcycle bays 20 lorry bays
Date of acquisition	: 2 April 2007
Cost of acquisition	: RM49,100,000
Tenant	: Samsung SDS Malaysia Sdn Bhd
Occupancy	: 100%
Tenancy Period	: 5 years expiring 31 March 2024
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Term Loan, Overdraft and Bank Guarantee facilities of RM46,152,130
Latest valuation	: RM 78,900,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: RM547,626
Net book value	: RM78,352,374

PROPERTY PORTFOLIO
(cont'd)



ATRIUM SHAH ALAM 3

Property	: Atrium Shah Alam 3
Address	: No.10, Persiaran Sabak Bernam, Section 26, Shah Alam Industrial Estate, 40000 Shah Alam, Selangor Darul Ehsan, Malaysia
Title details	: H.S.(D) 63508, PT503, Mukim Damansara, District of Petaling, Selangor Darul Ehsan, Malaysia
Property type	: Industrial
Description	: A single storey warehouse annexed with a double storey office having a total Net Lettable Area measuring approximately 90,670 sq.ft.
Year of completion	: 1990 2018 (Asset Enhancement Initiative)
Land details	: Freehold land measuring approximately 140,078 sq.ft.
Existing use	: Warehouse and office
Parking spaces	: 64 car bays 32 motorcycle bays 8 lorry bays
Date of acquisition	: 16 March 2017
Cost of acquisition	: RM21,698,113
Tenant	: Agility Logistics Sdn Bhd
Occupancy	: 100%
Tenancy Period	: 2 years, expiring on 24 July 2023
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Term Loan and Bank Guarantee facility of RM 18.7 million
Latest valuation	: RM29,600,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: Nil
Net book value	: RM29,600,000

PROPERTY PORTFOLIO (cont'd)



ATRIUM SHAH ALAM 4

Property	: Atrium Shah Alam 4
Address	: Lot 7, Persiaran Raja Muda, Section 16, 40200 Shah Alam, Selangor Darul Ehsan
Title details	: HSD 167421, Mukim Damansara, Petaling Jaya, Selangor Darul Ehsan HSD 172494, Tapak Perusahaan Shah Alam, Bandar Shah Alam, Petaling Jaya, Selangor Darul Ehsan.
Property type	: Industrial
Description (before AEI)	: A single storey factory with a single storey office cum canteen building having a total Net Lettable Area measuring approximately 167,431 sq. ft.
Description (after AEI)	: A double storey warehouse with a mezzanine office and a sub-basement carpark having a total Net Lettable Area measuring approximately 327,502 sq.ft. (subject to final site measurement upon completion of AEI)
Year of completion (note 1)	: 1990 2022 (estimated)(Asset Enhancement Initiative)
Land details	: HSD 167421 - 99 years leasehold land expiring on 7 November 2067; measuring approximately 216,182 sq.ft. HSD 172494 - 99 years leasehold land expiring on 5 September 2073; measuring approximately 86,154 sq.ft.
Existing use	: N/A
Parking spaces (after AEI)	: 179 car bays 171 motorcycle bays 30 lorry bays
Date of acquisition	: 24 February 2021
Cost of acquisition	: RM45,000,000
Tenant (note 1)	: N/A
Occupancy (note 1)	: N/A
Tenancy Period	: N/A
Major capital expenditure	: RM1,835,604
Encumbrances	: The property is charged to a financial institution to secure a Medium Term Note facility of RM 36.0 million
Latest valuation	: RM45,300,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: (RM1,535,604)
Net book value	: RM46,835,604

Note 1: The property is undergoing a major Asset Enhancement Initiative ("AEI") to upgrade the existing building to a double storey warehouse. The AEI is targeted to be completed in the 4th quarter of 2022. Quantium Solutions International (M) Sdn Bhd has signed a tenancy agreement to occupy the whole ground floor and mezzanine floor spaces for a period of 3 years. The tenancy is expected to commence upon the handing over of vacant possession once the Asset Enhancement Initiative is completed.

PROPERTY PORTFOLIO
(cont'd)



ATRIUM BAYAN LEPAS 1

Property	: Atrium Bayan Lepas 1
Address	: 150F, Block A, Jalan Kampung Jawa, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang
Title details	: Lot No. 2027 and Plot No. 203, Mukim 12, Daerah Barat Daya, Pulau Pinang held under Pajakan Negeri 2850 And H.S.(D) 14852 respectively
Property type	: Industrial
Description	: A single-storey factory annexed with a double-storey office and other ancillary buildings having a total Net Lettable Area measuring approximately 189,932 sq.ft.
Year of completion	: 1972
Land details	: Lot 2027 - 60 years leasehold expiring on 7 March 2036; measuring approximately 174,354 sq.ft. Plot No. 203 - 60-year leasehold land expiring on 3 March 2042; measuring approximately 157,861 sq.ft.
Existing use	: Factory and office
Parking spaces	: 192 car bays 106 motorcycle bays
Date of acquisition	: 22 October 2020
Cost of acquisition	: RM50,371,707
Lessee	: Lumileds Malaysia Sdn Bhd
Occupancy	: 100%
Lease Period	: 15 years, expiring on 21 October 2035
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Medium Term Note facility of RM35 million
Latest valuation	: RM51,000,000
Date of last valuation	: 6 December 2021
Valuer	: IVPS Property Consultant Sdn Bhd
Fair Value adjustment	: Nil
Net book value	: RM51,000,000

PROPERTY PORTFOLIO (cont'd)



ATRIUM BAYAN LEPAS 2

Property	: Atrium Bayan Lepas 2
Address	: Plot 401, Lintang Bayan Lepas 8, Kawasan Perindustrian Bayan Lepas 11900 Bayan Lepas, Penang
Title details	: Lot 70812 held under Title No. PN 9036, Mukim 12, Daerah Barat Daya, Pulau Pinang
Property type	: Industrial
Description	: A double-storey factory building and other ancillary buildings having a total Net Lettable Area measuring approximately 298,569 sq.ft.
Year of completion	: 2012
Land details (note 1)	: 60-year lease expiring on 7 May 2072; measuring approximately 514,730 sq.ft.
Existing use	: Factory and office
Parking spaces	: 527 car bays 366 motorcycle bays 6 lorry bays
Date of acquisition	: 7 October 2019
Cost of acquisition	: RM131,240,048
Sub-lessee	: Lumileds Malaysia Sdn Bhd
Occupancy	: 100%
Lease Period	: 15 years, expiring on 6 October 2034
Major capital expenditure	: RM1,200,000
Encumbrances	: The property is charged to a financial institution to secure a Medium Term Note facility of RM87 million
Latest valuation	: RM121,500,000
Date of last valuation	: 7 December 2021
Valuer	: IVPS Property Consultant Sdn Bhd
Fair Value adjustment	: (RM1,200,000)
Net book value	: RM122,700,000

Note 1: This property is held under a lease agreement with Penang Development Corporation for 30 years commencing on 11 February 2011 and expiring on 10 February 2041; with option to extend for a further term of 30 years.

PROPERTY PORTFOLIO
(cont'd)



ATRIUM PUCHONG

Property	: Atrium Puchong
Address	: No.2 Jalan PPU 1, Taman Perindustrian Puchong Utama, Batu 12 ½ Jalan Puchong, 47100 Puchong, Selangor Darul Ehsan, Malaysia
Title details	: Lot No. 65108 held under Geran No. 44178, Pekan Puchong Perdana, District of Petaling, State of Selangor Darul Ehsan
Property type	: Industrial
Description	: A single storey warehouse annexed with a four storey office building having a total Net Lettable Area measuring approximately 203,994 sq.ft.
Year of completion	: 2002
Land details	: Freehold land measuring approximately 292,234 sq.ft.
Existing use	: Warehouse and office
Parking spaces	: 129 car bays 110 motorcycle bays 30 lorry bays
Date of acquisition	: 2 April 2007
Cost of acquisition	: RM38,500,000
Tenant	: Lazada Express (Malaysia) Sdn Bhd
Occupancy	: 100%
Tenancy Period	: 3 years, expiring on 30 September 2023
Major capital expenditure	: Nil
Encumbrances	: Nil
Latest valuation	: RM53,400,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: Nil
Net book value	: RM53,400,000

PROPERTY PORTFOLIO (cont'd)



ATRIUM USJ

Property	: Atrium USJ
Address	: No.16, Jalan TP 6, Taman Perindustrian UEP, 47620 Subang Jaya, Selangor Darul Ehsan, Malaysia
Title details	: Geran 75650 Lot 46914 Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan, Malaysia
Property type	: Industrial
Description	: A single storey warehouse with annexed double storey office building (Block A), a single storey warehouse (Block B) and a single storey warehouse with annexed double storey office building (Block C); having a total Net Lettable Area measuring approximately 128,086 sq.ft.
Year of completion	: 2008
Land details	: Freehold land measuring approximately 219,422 sq.ft.
Existing use	: Warehouse and office
Parking spaces	: 122 car bays 39 motorcycle bays 5 lorry bays
Date of acquisition	: 22 December 2011
Cost of acquisition	: RM25,000,000
Tenant	: 1) Rohlig Malaysia Sdn Bhd (Block A) 2) Rohlig Malaysia Sdn Bhd (Block B) 3) Skynet Worldwide (M) Sdn Bhd (Block C)
Occupancy	: 100%
Tenancy Period	: Block A – 3 years, expiring on 31 August 2023 Block B – 3 years, expiring on 15 February 2024 Block C – 3 years, expiring on 31 July 2022
Major capital expenditure	: Nil
Encumbrances	: The property is charged to a financial institution to secure a Term Loan and Bank Guarantee Facilities of RM21,000,000
Latest valuation	: RM38,200,000
Date of last valuation	: 2 November 2021
Valuer	: First Pacific Valuers Property Consultants Sdn Bhd
Fair Value adjustment	: Nil
Net book value	: RM38,200,000

PROFILE OF DIRECTORS

DATO' DR IR MOHAMAD KHIR BIN HARUN

CHAIRMAN

Malaysian, male, aged 71, was appointed to the Board on 5 October 2009. Dato' Dr Ir Mohamad Khir obtained his BSc (Hons) in Electrical Engineering from Brighton Polytechnic in 1973, MSc in Communications Engineering from Brunel University, London in 1978 and PhD in Electrical Engineering from University of Manchester, United Kingdom in 1982. Dato' Dr. Ir. Mohamad Khir has accumulated a vast pool of knowledge on the communications and information industry. Starting his career as a young engineer way back in 1973, Dato' Dr Khir had successfully made the transition to a business-savvy technocrat when the Telecom Department was corporatised in 1987. He had risen quickly in his career, taking on wide-ranging responsibilities and was holding the position of Chief, Group business restructuring, the second highest position in Telekom Malaysia or TM, prior to his retirement. He was President of the Senior Officer associations of Telekom Malaysia from 1985 to 1996 where he has initiated programs on executive development and health awareness which were later adopted by the company. He was active in sports having held positions as vice and deputy presidents of the company's sport club from 1982 to 1995. His other experiences in the industry include 5 years in the regulatory bodies as Advisor to the Minister of Energy, Telecommunications and Posts from 1983 to 1985 and then as Advisor to the Chairman of the Malaysian Communications and Multimedia Commission from 2006 to 2008.

WONG SUI EE

EXECUTIVE DIRECTOR

Malaysian, female, aged 52, was appointed to the Board on 22 September 2005. Ms Wong graduated with a Bachelor of Arts majoring in Accounting and Finance from Middlesex University, London, in 1991. She is an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW) since 1994. Ms Wong began her career in KPMG, United Kingdom in 1991 as an Auditor. In 1996, she joined Perdana Merchant Bank Berhad as Assistant Vice President for two (2) years. She then joined Glory Blitz Industries Sdn Bhd ("GBISB") and its related companies in 1998. During her 8-year tenure with GBISB and its group of companies, she formed the team to develop built to suit industrial properties in the Klang Valley for the group's multinational clients including CEVA Logistics (formerly known as TNT Logistics), Exel Logistics (now part of the DHL Group), Danzasma (now part of the DHL Group), Unilever Malaysia, Silverstone Tyres and others. Currently, she is also on the Board of Directors of Alpha Netrise (M) Sdn Bhd, Ample Cosmos Sdn Bhd and Kilat Idam Sdn Bhd.

CHAN WAN SEONG

INDEPENDENT NON-EXECUTIVE DIRECTOR.

Chairman of Nominating Committee (appointed on 28 October 2021)

Malaysian, male, aged 67, was appointed to the Board on 26 October 2016. Mr. Chan graduated with a Degree in Bachelor of Economics (Hons), majoring in Business Administration from Universiti Malaya in 1977. Mr Chan's career and working experience in the banking and finance sector spanned over a period of close to 40 years. Mr. Chan started his career with Malaysian International Merchant Bankers Berhad (Malaysia's first international merchant bank) in 1977 as a Corporate Finance Officer. Subsequently, he joined the then emerging leasing and credit finance industry. He gained further exposure in the banking sector as the Head of the Corporate Banking unit in the Malaysian Head Office of a Singapore banking group. Mr. Chan resumed his career in merchant banking by joining the then Arab-Malaysian Merchant Bank Berhad ("AMMB")(later known as AmMerchant Bank Berhad, and currently known as AmInvestment Bank Berhad) in 1989. He was initially responsible for managing and supervising the expansion of AMMB's regional merchant bank business in East and West Malaysia. In his career with the Ambank Group, Mr. Chan had held various senior positions spanning a wide spectrum of banking services as General Manager, Senior Director, and Executive Vice-President in Corporate Banking, Investment Banking and Wholesale Banking. His job scope encompassed large fund-raising exercises in syndicating conventional loans, as well as Bonds and Equity for public-listed corporations and large private client groups. He also gained all-round exposure in the areas of credit evaluation, loan structuring, risk management, corporate advisory, and high-level merger and acquisition negotiations. His core strengths are derived from his wide business networking, relationship management skills, and multi-product knowledge in the corporate and investment banking space. Upon reaching the age of 62 years, Mr. Chan retired from the Ambank Group in the first quarter of 2016 after enjoying a distinguished career with them for more than 27 years. Currently, he is also the Independent Non-Executive Chairman of the Board of Directors of Wegmans Holdings Berhad.

PROFILE OF DIRECTORS (cont'd)

CHNG BOON HUAT

INDEPENDENT NON-EXECUTIVE DIRECTOR

Chairman of Audit Committee

Member of Nominating Committee (appointed on 28 October 2021)

Malaysian, male, aged 62, was appointed to the Board on 1 September 2018. Mr Chng is a Fellow Member of The Association of Chartered Certified Accountants, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants (MIA). He started his auditing and accounting career in 1983 with Messrs Hew & Co (now known as Mazars PLT) before joining Perlis Plantation Berhad (now known as PPB Group Berhad) in 1987. In 1988, he joined The Kuala Lumpur Stock Exchange (now known as Bursa Malaysia Berhad) ("Bursa") and had held several positions during his 25-year tenure at Bursa, culminating to become the Head of Corporate Surveillance in 2009. He has gained vast experience at Bursa including equity market supervision, research and development studies, compliance, investigation and enforcement of Listing Requirements, as well as to advocate good corporate governance practices such as risks management and internal control systems to companies listed on Bursa Malaysia Securities. While in Bursa, he represented Bursa to serve as member of various working groups of Malaysia Accounting Standards Board, MIA and Companies Commission of Malaysia. He left Bursa in 2013 to join Tricor Corporate Services Sdn Bhd as Director of Corporate Advisory, a position he holds to date.

He also served as a member of the Adjudication Committee of the National Annual Corporate Report Awards (NACRA) from 2006 to 2013, and is currently the adviser to the Adjudication Committee of NACRA, a position he held since 2014. Currently, he sits on the board as an Independent Non-Executive Director of Gagasan Nadi Cergas Berhad and Mattan Berhad. He is also a director of Christian Dior Fashion (Malaysia) Sdn. Bhd.

HOW HU SON

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian, male, aged 72, was appointed to the Board on 17 November 2006. Mr How graduated from Brighton Polytechnic, United Kingdom with a Bachelor of Science (Hons) in Civil Engineering in 1975. In 1976, he obtained his Master of Science from Imperial College of Science & Technology, London. He is a member of the Institution of Engineers, Malaysia and is a registered professional Engineer with the Board of Engineers, Malaysia. He began his career in 1977 as a Structural Engineer with Jabatan Kerja Raya for two (2) years. Thereafter, he joined Tahir Wong Sdn Bhd as its Senior Structural Engineer and was subsequently promoted to Senior Associate. During

his 14 years in Tahir Wong Sdn Bhd, he was involved in projects such as Subang Parade, the Royal Malaysian Navy Base in Sarawak, Puteri Pan Pacific Hotel, Johor and the Selangor Turf Club. Currently, he is a Director of Pakatan Cergas Sdn Bhd, a consultancy company involved in civil and structural engineering. Some of the projects that he was involved in are the construction of Bukit Ceylon Condominium, CP Tower, Eastin Hotel and Phileo Damansara. He is also a Director of Yong Peng Batu Bata Berhad.

SOONG KWONG HENG

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Audit Committee

Member of Nominating Committee (appointed on 28 October 2021)

Malaysian, male, aged 72, was appointed to the Board on 17 November 2006. Mr. Soong graduated with a Bachelor of Economics from Universiti Malaya in 1972. Mr Soong has more than thirty (30) years experience in tax related issues. After his graduation, he began his career in the Department of Inland Revenue Malaysia for three (3) years. In 1975, he joined Chan King Sang & Co. as its Tax Manager for ten (10) years. Subsequently he was a Tax Principal for K. S. Taxation Services Sdn Bhd from 1985 till early 2016.

TOR PENG SIE

INDEPENDENT NON-EXECUTIVE DIRECTOR

Member of Audit Committee

Malaysian, male, aged 63, was appointed to the Board on 17 November 2006. Mr Tor graduated with a Bachelor of Science from Campbell University, North Carolina, United States of America in 1982. He is a holder of the Real Estate Agent Licence from the Board of Valuers, Appraisers and Estate Agents Malaysia since 1993. Mr Tor has about thirty (30) years experience in the real estate industry, where he began his career in Rahim & Co. Chartered Surveyor Sdn Bhd in 1984 as a Valuation Executive and was subsequently promoted as a Real Estate Negotiator. In 1988, he worked with The Golden Triangle Real Estate Agents initially as a Real Estate Agent and later became a Director of the said company. In 1999, he joined Pacific Landmark Real Estate Agents. He is currently the Principal of Pacific Landmark Real Estate Agents.

PROFILE OF CHIEF EXECUTIVE OFFICER AND KEY SENIOR MANAGEMENT

CHAN KUM CHONG

CHIEF EXECUTIVE OFFICER

Malaysian, aged 66, was appointed as Chief Executive Officer on 1 April 2010. Mr. Chan graduated from Portsmouth Polytechnic (now known as University of Portsmouth) in 1980 with a Bachelor of Science in Quantity Surveying. Mr. Chan began his career as a Graduate Quantity Surveyor with a consultant quantity surveying firm, Juru Ukur Bahan Malaysia Sdn. Bhd. assisting the senior quantity surveyor in pre and post contract administration in the completion of Menara Maybank, redevelopment of Subang International Airport, Telekom Training Centre, amongst others. Mr. Chan then joined TTDI Development Sdn.Bhd. in 1984 and has successfully managed and completed housing schemes in Taman Tun Dr. Ismail, Taman TTDI Jaya, Desa Pandan and Desa Bakti. In June 1995, he was assigned to oversee the operation of the in-house construction company, Panelex Sdn.Bhd. as General Manager - Operation. He then joined Syarikat T. D. Sdn. Bhd. in 1999 as a Project Director looking after several building and turnkey projects. Thereafter, he joined Vistanet (M) Sdn.Bhd. in 2002, an in-house construction company of Mayland Properties Sdn. Bhd., to manage all their in-house construction projects with Gross Development Values in excess of RM300 million, comprising of service apartments, shop offices and a shopping complex. In October 2003 he joined Score Option Sdn. Bhd. as a Project Director, managing a 200 acres development in Puchong comprising a mixed residential and commercial development, a J.V. project with Glomac Alliance Sdn.Bhd., a subsidiary of Glomac Berhad. In 2005, he joined EC Alamjaya Sdn. Bhd. as its Chief Executive Officer to oversee a shopping complex and hotel development totalling RM100million.

Other Directorship of Public Companies

Mr. Chan has no other directorship with any public companies.

Family Relationship with Director and/or Major Unitholder

Mr. Chan is the brother of Mr Chan Kam Tuck, who is a major unitholder of the Atrium REIT. Save as disclosed, Mr Chan does not have any family relationship with any director and/or major unitholder of the Atrium REIT.

Conflict of Interest

Save for Mr Chan's interest in Atrium REIT (as disclosed under Unitholdings of Directors and Related Parties in the notes to the financial statements), no conflict of interest has arisen during the financial year under review.

Conviction of Offences

Mr. Chan has not been convicted of offences (other than traffic offences) within the past 5 years.

NG BEE ENG

CHIEF OPERATIONS OFFICER (appointed on 1 August 2021)

Malaysian, female, aged 44, was appointed as Chief Operations Officer on 1 August 2021. Ms Ng graduated from University of Hertfordshire, United Kingdom in 2000 with a Bachelor of Arts in Business Administration majoring in Finance. She began her career in 2001. Earlier in her career, she worked as the financial controller and she has more than 8 years executive operational experience which includes management of financial, accounting and human resources matter. She was appointed to the Board of Plus Asijaya Island Sdn Bhd on 27th July 2017 when Plus Asijaya Pahang Sdn Bhd joint venture with Ikkhasas Group. In year 2012, Ng Bee Eng joined Plus Asijaya (Perak) Sdn Bhd and Plus Asijaya (Pahang) Sdn Bhd as Project Director. She is experienced in overseeing all aspects of design and planning, environmental compliance, regulatory approvals, architecture, civil & structure, mechanical engineering, interior design to collaborative marketing planning. She is also overseeing for all aspects of construction, field supervision, contractors, sub-contractors and vendors to assure the construction schedule and the cost parameters are maintained. Prior to joining Plus Asijaya Group, she was appointed as Head of Project Department to direct team of engineers to provide solution, design, and support for Multi Air Conditioning System for Building. She was responsible for the assessment and overall project management of air conditioning industry in west Malaysia.

Other Directorship of Public Companies

Ms. Ng has no other directorship with any public companies.

Family Relationship with Director and/or Major Unitholder

Ms. Ng does not have any family relationship with any director and/or major unitholder of the Atrium REIT.

Conflict of Interest

No conflict of interest has arisen during the financial year under review.

Conviction of Offences

Ms. Ng has not been convicted of offences (except traffic offences) within the past 5 years.

PROFILE OF CHIEF EXECUTIVE OFFICER AND KEY SENIOR MANAGEMENT

(cont'd)

LEE HOOI HOONG

CHIEF FINANCIAL OFFICER

Malaysian, male, aged 54, joined the Company as the Chief Financial Officer on 1 October 2007. He is a graduate of The Chartered Association of Certified Accountants, United Kingdom and was admitted as a Fellow of the Association on 1 November 2002. He has more than 29 years of experience in the areas of financial accounting and management. He commenced his career in the auditing profession in 1992. In 1994, he joined Lion Suzuki Motor Sdn Bhd as an Assistant Accountant and rapidly moved up the rank to Assistant General Manager where in the course of 13 years he oversaw the finance and administration, marketing operations, parts and service, human resources and IT department of the company.

Other Directorship of Public Companies

Mr. Lee has no other directorship with any public companies.

Family Relationship with Director and/or Major Unitholder

Mr. Lee does not have any family relationship with any director and/or major unitholder of the Atrium REIT.

Conflict of Interest

Save for Mr Lee's unitholding in Atrium REIT of 7,000 units (2020: 7,000 units), no conflict of interest has arisen during the financial year under review.

Conviction of Offences

Mr. Lee has not been convicted of offences (except traffic offences) within the past 5 years.

FOONG WAI LENG *(appointed on 1 July 2021)*

SENIOR FINANCE MANAGER

Malaysian, female, aged 52, joined the Company as the Senior Finance Manager on 1 July 2021. She is a graduate from Business Faculty of University Technology, Sydney and subsequently completed her accounting professional degree with CPA Australia in 2006. She is also a member of Malaysian Institute of Accounts (MIA). She has more than 26 years of experience in accounting, internal and financial auditing, and advisory in various types of industries, such as property and assets management, construction, hotel management, retailing, manufacturing, among others. She started her career in accounting in 1989 and advanced to Internal Auditing in 2000, after completing her business degree. In 2003, she joined IGB Corporation Bhd. (now known as IGB REIT Management Sdn. Bhd.) as an Internal Audit Executive and moved up to Senior Internal Audit Manager during the course of 10 years. Her roles were to assess and report the effectiveness and efficiency of the operational functions for the Group and its subsidiaries. Prior to joining Atrium REIT Manager, she served as a consultant in a medium-sized auditing and consulting firm to various types of industries in assessing and managing operations risks as well as its efficiency and effectiveness of the operational functions of public listed and private entities.

Other Directorship of Public Companies

Ms. Foong has no other directorship with any public companies.

Family Relationship with Director and/or Major Unitholder

Ms. Foong does not have any family relationship with any director and/or major unitholder of the Atrium REIT.

Conflict of Interest

No conflict of interest has arisen during the financial year under review.

Conviction of Offences

Ms. Foong has not been convicted of offences (except traffic offences) within the past 5 years.

BOARD OF DIRECTORS AND MANAGEMENT OF THE MANAGER

BOARD OF DIRECTORS

Dato' Dr Ir Mohamad Khir Bin Harun
Chairman and
Non-Independent Non-Executive Director

Wong Sui Ee
Executive Director

Chan Wan Seong
Independent Non-Executive Director

Chng Boon Huat
Independent Non-Executive Director

How Hu Son
Independent Non-Executive Director

Soong Kwong Heng
Independent Non-Executive Director

Tor Peng Sie
Independent Non-Executive Director

AUDIT COMMITTEE

Chng Boon Huat (Chairman)
Soong Kwong Heng
Tor Peng Sie

NOMINATING COMMITTEE

Chan Wan Seong (Chairman)
Chng Boon Huat
Soong Kwong Heng

COMPANY SECRETARY

Wong Wai Foong (MAICSA 7001358)
Fong Seah Lih (MAICSA 7062297)

MANAGEMENT

Wong Sui Ee
Executive Director
Chan Kum Chong
Chief Executive Officer
Ng Bee Eng
(appointed on 1 August 2021)
Chief Operations Officer
Lee Hooi Hoong
Chief Financial Officer
Foong Wai Leng
(appointed on 1 July 2021)
Senior Finance Manager

CORPORATE DIRECTORY

MANAGER

Atrium REIT Managers Sdn Bhd
(200501028391) (710526-V)
Principal place of business:
36-2, Jalan 5/101C, Off Jalan Kaskas
Jalan Cheras, 56100 Kuala Lumpur

Tel : 03-9132 2810
Fax : 03-9132 9810

Website : www.atriumreit.com.my

Registered office:

Unit 30-01, Level 30, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Wilayah Persekutuan, Malaysia

Tel : 603 -2783 9191
Fax : 603 -2783 9111

TRUSTEE

Pacific Trustees Berhad
(199401031319) (317001-A)
Principal place of business:
Unit A-9-8,9th Floor, Megan Avenue 1,
No.189, Jalan Tun Razak,
Off Persiaran Hampshire,
50400 Kuala Lumpur, Malaysia.

Tel : 03-2166 8830
Fax : 03-2166 3830

AUDITORS

BDO PLT
(LLP0018825-LCA & AF 0206)
Chartered Accountants

PROPERTY MANAGEMENT COMPANY

Hartamas Asset Management Sdn Bhd
(201001021285)(905055-U)
Level 13, Block A, Menara Prima,
Jalan PJU 1/37, Dataran Prima,
47301 Petaling Jaya, Selangor
Tel : 03-7839 5555
Fax : 03-7839 5566

PRINCIPAL BANKERS

Malayan Banking Berhad
Public Bank Berhad

REGISTRAR

Tricor Investor &
Issuing House Services Sdn Bhd
(197101000970) (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Wilayah Persekutuan, Malaysia
Tel : 603 -2783 9299
Fax : 603 -2783 9222

BURSA MALAYSIA STOCK NAME AND CODE

ATRIUM 5130

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Atrium REIT Managers Sdn Bhd (“the Manager”), the Manager of Atrium Real Estate Investment Trust (“Atrium REIT”), is pleased to present this Corporate Governance Overview Statement to its stakeholders on how the Manager has applied the corporate governance principles and its best practices in the overall management of Atrium REIT, as set out in the Malaysia Code on Corporate Governance (“MCCG”).

The Manager recognises the importance of good corporate governance to enhance Atrium REIT’s performance and the delivery of sustainable value to its stakeholders. In particular, the Manager has an obligation to discharge its fiduciary duties and leadership functions in the best interest of Atrium REIT.

In adopting the corporate governance principles and practices, the Manager was guided by the standards set out in the Guidelines on Listed Real Estate Investment Trusts as issued by the Securities Commission Malaysia (“REITs Guidelines”), the MCCG and the Main Market Listing Requirements (“Listing Requirement”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Statement which provides an overview of the application of the principles and practices set out in the MCCG, is made pursuant to paragraph 15.25(3) of the Listing Requirements of Bursa Securities.

ROLE OF MANAGER

Manager of Atrium REIT

The Manager has general powers of management over the assets of Atrium REIT. The Manager’s main responsibility is to manage Atrium REIT’s assets and liabilities in the best interest of the unitholders.

The primary role of the Manager is to set the strategic direction of Atrium REIT and give recommendations to Pacific Trustees Berhad as Trustee of Atrium REIT (“Trustee”), on acquisition, divestment and enhancement of the property assets of Atrium REIT in accordance with its stated investment strategy.

Amongst others, the general functions, duties and responsibilities of the Manager include the following:

- (a) to carry out the activities in relation to the management of Atrium REIT and its portfolio of assets in accordance with the provisions of the Second Restated Deed dated 17 December 2019 (“Deed”);
- (b) to use its best endeavours to ensure that the business of Atrium REIT is carried out and conducted in a proper and efficient manner, and all transactions are to be undertaken on an arm’s length basis, on normal commercial terms and in the best interest of unitholders;
- (c) to issue the annual report of Atrium REIT to the unitholders within two (2) months of its financial year end;
- (d) to attend to all enquiries from the unitholders, tenants, media, government bodies, etc;
- (e) to supervise the Property Manager which provides property management services in relation to Atrium REIT’s properties pursuant to the property management services agreement; and
- (f) to ensure Atrium REIT is in compliance with the applicable provisions of the REITs Guidelines, Listing Requirements of Bursa Securities and any other applicable laws.

Atrium REIT is managed by the Manager and accordingly, Atrium REIT has no personnel of its own. The Manager appoints experienced and well-qualified management personnel to handle the day-to-day operations.

Atrium REIT Managers Sdn Bhd is the appointed Manager of Atrium REIT in accordance with the terms of the Deed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

DIRECTORS OF THE MANAGER (“THE BOARD”)

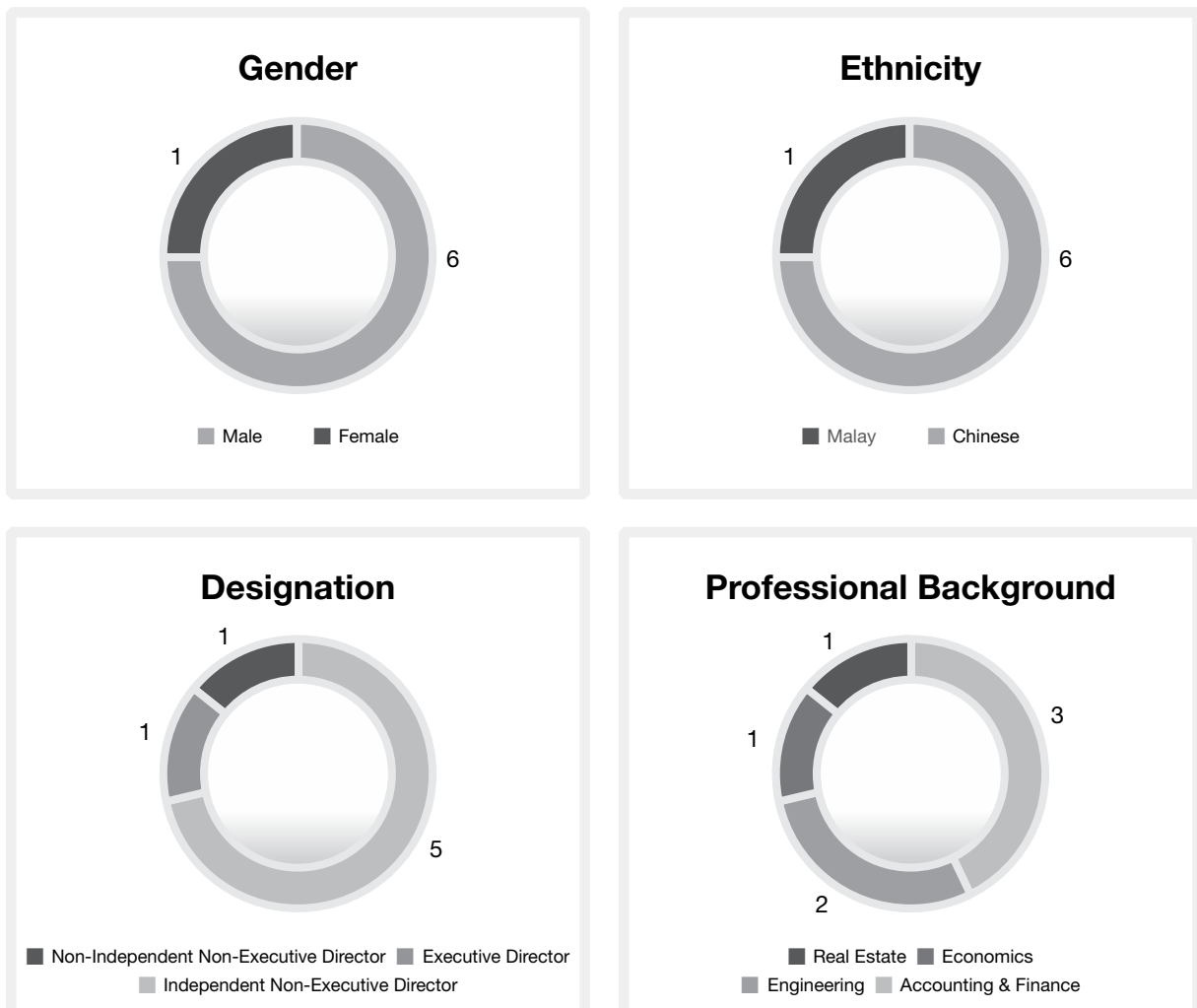
The Board

The Board is responsible to oversee the competence of the management and promote good corporate governance culture of the Manager while establishing goals for the management and monitoring the achievement of these goals. The Board is also responsible to ensure that the strategic plan of the Manager supports the long-term value creation of Atrium REIT and has adopted the primary responsibilities as well as the roles and duties set out in the REIT Guidelines, which facilitate the discharge of the Directors’ stewardship responsibilities.

Board Composition

The Board presently consists of seven (7) members comprising one (1) Non-Independent Non-Executive Director, one (1) Executive Director and five (5) Independent Non-Executive Directors. The diverse background of the members who come from various fields such as engineering, financial, real estate and management provides a broad spectrum of skills, experience and invaluable perspectives to oversee the management of the Manager. The profiles of the members of the Board are provided on pages to of the Annual Report.

The Board diversity in terms of gender, ethnicity, professional background and experience are illustrated below:



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

DIRECTORS OF THE MANAGER (“THE BOARD”) (CONT’D)

Board Composition (cont’d)

The Board is of the view that its current composition has the right group of people with an appropriate mix of skills, knowledge, experience and core competencies, and its current Board size is appropriate taking into consideration the nature, size and scope of Atrium REIT’s operations.

The Chairman of the Board is responsible for the conduct of the Board and ensures that the Board’s discussions are conducted in such a way that all views are taken into account and discussed at length before a decision is made. The Executive Director and the Chief Executive Officer, supported by the management team are responsible for running the business on a day-to-day basis, organizational effectiveness and implementation of the Board’s policies, strategies and decisions as planned and in accordance with the Deed and REIT Guidelines. This clear separation of roles between the Chairman and the Chief Executive Officer, provides a healthy, independent and professional relationship between the Board and Management.

The Board focuses mainly on strategy, financial performance and critical business issues, such as:-

- Strategic business plans,
- Key financial performance indicators and budgets,
- Succession planning for senior management,
- Investors and unitholders relations programmes, and
- Risk management and internal control systems.

Independent Non-Executive Directors have the responsibility to ensure that strategic and corporate plans proposed by the Management are reviewed and challenged before being approved by the Board, after taking into account of Atrium REIT’s long-term interest, not only of the unitholders, but also of employees, customers, suppliers, and other stakeholders in which Atrium REIT conducts its business.

Board Meetings

Board meetings are scheduled at least four (4) times per annum to review the operations of Atrium REIT and to approve the quarterly and annual financial statements of Atrium REIT. Additional meetings are held as and when urgent issues and important decisions need to be taken between the scheduled meetings.

The Board met five (5) times during the financial year ended 31 December 2021. The number of meetings attended by each Director is as follows:

Directors	Designation	Attendance
Dato’ Dr Ir Mohamad Khir Bin Harun	Non-Independent Non-Executive Chairman	5/5
Wong Sui Ee	Executive Director	5/5
Chan Wan Seong	Independent Non-Executive Director	5/5
Chng Boon Huat	Independent Non-Executive Director	5/5
How Hu Son	Independent Non-Executive Director	5/5
Tor Peng Sie	Independent Non-Executive Director	5/5
Soong Kwong Heng	Independent Non-Executive Director	5/5

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)

DIRECTORS OF THE MANAGER (“THE BOARD”) (CONT’D)

Access to and Supply of Information and Advice

All Board members are supplied with information on a timely manner in order to discharge their responsibilities. The Agenda together with the full set of Board papers containing information relevant to the Board meeting are circulated to the Directors at least five (5) business days in advance of Board meetings, which is sufficient time for the Directors to review and seek clarification where necessary prior to the meeting being held and this process enables the Directors to make better and informed decisions.

There is a schedule of matters reserved specifically for the Board, including the approval of strategic plans and budgets for both the Manager and Atrium REIT, acquisition and disposal of major assets or investments, and key policies and procedures, and authority limits.

All Directors have access to the advice and services of the Company Secretary and have the rights to seek independent professional advice when necessary in discharging their duties.

Nominating Committee

Previously, the Executive Director makes recommendations on Board composition as well as identifying suitable candidates for appointment to the Board and the final decision lies with the entire Board to ensure that the resulting mix of experience and expertise of members of the Board is balanced with representation from the relevant sectors of the industry to provide optimal inputs to address issues affecting the Manager and Atrium REIT.

However, the Board has on 28 October 2021 established a Nominating Committee which comprises solely of Independent Directors, to assume the responsibilities of the Executive Director on Board composition matters. Although Atrium REIT is not required under the Listing Requirement to establish a Nominating Committee, the initiative by the Board to establish a Nominating Committee will further enhance its accountability, transparency and sustainability.

The duties of the Nominating Committee includes among others the selection and appointment of Directors, succession planning of Directors and senior management, and evaluation on the effectiveness of the Board and each individual Director.

The Nominating Committee has its written Terms of Reference which is made available on Atrium REIT’s website.

The Board (other than the interested Directors) also reviews the term of office and performance of the Audit and Nominating Committees, and each of its members periodically to determine whether the Board Committees and their members have carried out their duties in accordance with their Terms of Reference.

Remuneration

The remuneration of the Directors and all employees of the Manager are paid by the Manager and not by Atrium REIT. Nevertheless, the Board recognizes that the objective of the remuneration policy is to attract, retain and motivate the Directors and senior management to successfully carry out the Manager’s and Atrium REIT’s strategy and objectives. The Board believes that the current remuneration package is sufficient to attract, retain and motivate the right talent in the Board and senior management to manage the Manager’s operations and drive its long-term objectives.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of Atrium REIT as at 31 December 2021 and of its financial performance, the changes in net asset value and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

Audit Committee

The Board has established an effective Audit Committee (“AC”) where its members comprise solely of Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board. With the present Board structure and practice, the AC is able to objectively review Atrium REIT’s financial statements, the Manager’s internal control system and risk management framework, and report its findings and recommendations to the Board.

During the financial year, the Terms of Reference of the AC was updated where a former partner of the external audit firm of Atrium REIT or the Manager shall observe a cooling-off period of at least three (3) years before being eligible for appointment as a member of the AC, in line with the practice of the revised MCCG issued on 28 April 2021.

Re-appointment of External Auditors

The Board maintains a transparent relationship throughout their association with the external auditors.

The AC assesses the suitability, objectivity and independence of the external auditors based on the external auditors’ competency, audit quality, resource capacity as well as the information as presented in its Annual Transparency Report.

After due assessment, the AC will recommend to the Board on the re-appointment of the external auditors as well as its remuneration, for its onward recommendation to the Trustee for approval.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable (excluding government taxes and out of pocket expenses) to the external auditors for the financial year ended 31 December 2021 were as follows:-

	RM
Audit	38,000
Non audit	5,000

Risk Management and Internal Control

The Board acknowledges its responsibility for maintaining a sound risk management and internal control system, to safeguard the investments of the unitholders and the assets of Atrium REIT. The Board has delegated to the AC to review the effectiveness of the Manager’s risk management and internal control framework, which include among others finance, operations and regulatory compliance.

The Board has also received assurances from the Chief Executive Officer and the Chief Financial Officer that the risk management framework and internal control system of Atrium REIT are operating adequately and effectively to manage any significant risks.

The Statement of Risk Management and Internal Control furnished on pages 51 to 55 of the Annual Report provides an overview on the state of internal controls implemented by the Manager.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)**RELATED PARTY TRANSACTIONS**

The Manager commits to comply with all requirements in relation to related party transactions, as laid out in the REIT Guidelines, the Deed and the Listing Requirements.

The Manager has established policy and procedures to monitor, track and identify all related party transactions in a timely and orderly manner. The procedures are sufficient to ensure that all related party transactions are conducted on an arm's length basis, and on transaction prices and terms not more favourable to the related parties than generally available to third parties.

The AC together with the management reviews all the related party transactions to ensure compliance with the related party procedures, relevant provisions of the Deed, REITs Guidelines and the Listing Requirements. The review includes examination of the nature of the transaction and such other information as requested by the AC. If a member of the AC has an interest in a transaction, he is to disclose and abstain from participating in the review and the recommendation process in relation to the transaction.

WHISTLE BLOWING POLICY

The Board has put in place a whistle blowing policy to provide employees of the Manager or member of the public, with defined and accessible channels to report genuine concerns in relation to fraud, corruption, dishonest practices or breach of legal obligation in relation to Atrium REIT or the Manager. The policy also includes procedures on investigating whistle blowing reports.

The aim of the whistle blowing policy is to encourage the reporting of such concerns in good faith, where the identity of the whistle-blower will be protected and kept confidential, and without the risk of reprisal.

The whistle blowing policy is available on the Atrium REIT's website.

ANTI-BRIBERY AND CORRUPTION POLICY

The Board has collectively approved and adopted an anti-bribery and corruption programme in the effort to combat fraud. This anti-bribery and corruption policy commits Atrium REIT to conducting business in a fair and ethical manner, and affirms its zero-tolerance approach towards all acts of bribery and corruption.

The purpose of this policy is to convey Atrium REIT's anti-bribery and corruption stance to its stakeholders and the parties in which this policy applies to.

The anti-bribery and corruption policy is available on the Atrium REIT's website.

COMMUNICATION WITH UNITHOLDERS AND INVESTORS

The Board acknowledges and appreciates the importance of regular communication with the unitholders and investors to ensure that they are well informed of the activities and performance of Atrium REIT. The communication channels are via annual reports, quarterly financial reports and the various disclosures and announcements on the Bursa Securities' website.

Another principal avenue of communication with its unitholders is Atrium REIT's Annual General Meeting ("AGM"), which provides a useful platform for the unitholders to engage directly with the Board, the senior management of the Manager, the Trustee and the External Auditors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

CONDUCT OF GENERAL MEETINGS

At the last AGM, the Notice of Ninth AGM was given to the unitholders more than twenty-eight (28) days prior to the general meeting and all the Board members attended the said AGM.

The Manager leveraged on technology to facilitate remote unitholders' participation and remote electronic voting by unitholders (i.e., voting in absentia) in conducting its Ninth AGM. The Board also ensured that the conduct of the virtual AGM would support meaningful engagement between the Board, senior management and unitholders.

During the AGM, the engagement with unitholders was interactive and include robust discussion on among others Atrium REIT's financial and non-financial performance as well as its long-term strategies, business and performance. The Chairman provided sufficient time and opportunities for the unitholders to pose questions during the AGM and the questions were meaningfully responded either by the Chairman, Board members or the senior management.

Minutes of the AGM was also published on Atrium REIT's corporate website within 30 business days after the general meeting.

Atrium REIT has also established a corporate website, www.atriumreit.com.my, for the unitholders and the public to access for corporate information and latest business development of Atrium REIT.

OTHER INFORMATION

Sanction and/or Penalty

There was no public sanction and/or penalty imposed on Atrium REIT, the Manager and the Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 December 2021.

Family Relationship with any Director and/or Major Unitholder

None of the Directors of the Manager has any family relationship with any other Directors or Major Unitholders.

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	
<u>Suit No: BA-B52NCvC-160-06/2021</u>	
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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(cont'd)**OTHER INFORMATION (CONT'D)****Material Litigation (cont'd)**

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 Kuala Lumpur High Court ("KL High Court") has given the Manager 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. On 28 January 2022, the Session Court has struck out the Garnishee Order against all garnishees. Further to the hearing on 16 February 2022, the KL High Court has adjourned the hearing to 11 March 2022 to deliver its judgment.

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.

Changes in the State of Affairs

There was no change in the state of affairs of Atrium REIT during the financial year under review.

Conflict of Interest

Save for the Directors of the Manager's interest in Atrium REIT (as disclosed under Directors' Interest in the Manager's Report), no conflict of interest has arisen during the financial year under review.

Convictions for Offences

None of the Directors of the Manager have been convicted for offences (except traffic offences) within the past 5 years.

Material Contracts

There were no material contracts entered by Atrium REIT that involved the Directors of the Manager or Substantial Unitholders of Atrium REIT during the financial year under review.

Directors' Training

The Directors are encouraged to attend briefings and seminars to keep abreast with the latest developments in the industry. During the year, the Directors attended various courses/seminars related to their responsibilities and developments in the industry. Among courses / seminars attended include refresher course on S17A of Malaysian Anti-Corruption Commission 2009, Updates of the Malaysian Code on Corporate Governance, Anti-Money Laundering and Anti-Terrorism Financing Act 2001 (AMLA), Market Outlook Using Fundamental Indicators and Project Finance Structure and Risks.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors (“the Board”) of Atrium REIT Managers Sdn Bhd, the Manager (“the Manager”) of Atrium Real Estate Investment Trust (“Atrium REIT”) is committed to maintain a sound and effective risk management and internal control system and for reviewing the adequacy and effectiveness of the system. The Board recognises that the system is designed to manage rather than eliminate the risks of not adhering to the Manager’s policies and business objectives within the risk tolerance established by the Board and the Manager. Therefore, the system provides reasonable but not absolute assurance against the occurrence of any material misstatement, loss, fraud or breaches of laws and rules.

The Board has outsourced the review of the Manager’s internal control to an independent internal audit firm (Internal Auditors) which reports the results of the review to the Audit Committee (“AC”).

INTERNAL CONTROL

The Board acknowledges that it has a responsibility to maintain a sound and effective system of internal control in order to meet the business objectives of the Manager. The business objectives, amongst others, is to manage Atrium REIT by achieving its mission, i.e., to maximise income in order to reward unitholders with a competitive rate of return for their investments through regular and stable distributions and achieving long-term growth in distributions and Net Asset Value per unit.

Key Features of the Internal Control System Established

- **Organisation Structure and Authorisation Procedures**

The Manager maintains a formal organisation structure with delegation of responsibilities and accountability within the Manager’s Senior Management and staff. It sets out the roles and responsibilities, authority limits, review and approval procedures for the Manager’s various operations.

- **Company Policies and Procedures**

The Manager has documented policies and procedures that are being reviewed and updated to ensure consistency in maintaining the efficiency and effectiveness of the business activities of the Manager and Atrium REIT at all times. The Manager strives to ensure all business processes are formalized and approved by the Senior Management. Such processes are in line with the best governance practices that are designed to mitigate potential business risks by implementing effective internal control.

- **Financial and Operational Review**

Board meetings are held on a regular basis to discuss and review the business planning, budgeting, financial, operational performances and progression of project. The quarterly financial statements of the Manager and Atrium REIT containing key financial results, operational performance results and comparisons of performance against budget are presented to the Board for review, deliberation and approval.

- **Business Planning and Budgeting Review**

The Board discusses and reviews the business plan, strategies, performance and challenges faced by the Manager and Atrium REIT.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

RISK MANAGEMENT

The Board has established a risk management framework for identifying, evaluating, monitoring and reporting of risks. The responsibilities of the Board include reviewing the risk management framework and ensure that the risks are managed within the tolerable limits set. The Board has delegated its role in the review process to the AC.

Responsibility of management include identifying risks that are relevant to Atrium REIT, and achieving its objectives and strategies within the risk tolerance established by the Board and the Senior Management.

The AC reviews the effectiveness of the risk management framework annually and ensure that necessary actions have been or are being taken to remedy any significant failings or weaknesses identified from the review. In assessing business risks, the AC also considers the economic, environment and social impact relating to the property investment industry.

The application of this risk management processes is based on the general principles of the recognized international risk management frameworks. Based on the key risks identified, measures and actions are identified and executed to minimize the possibility and impact of these risks.

The Risk Management process adopted is as follows:



The management of the significant risks faced by the Manager and Atrium REIT for the financial year ended 2021 ("FY2021") are as follows:

Capital and Liquidity Risk

Atrium REIT’s capital and liquidity management objectives are to safeguard the REIT’s ability to continue as a going concern with sufficient liquidity to meet its business needs and financial obligations, including paying of dividends, interests and loan repayments, and maintain an efficient capital structure in order to maximise returns to the unitholders. To meet the above objectives, the liquidity management strategies include:

- (i) Effective cash flow and treasury management,
- (ii) Ongoing financial monitoring,
- (iii) Regular review of loan covenants to ensure compliance, and
- (iv) Maintaining good bankers and investors relationship.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

RISK MANAGEMENT (CONT'D)

Credit Risk

Credit risk arises as a result of economic slowdown and rising costs which affect the ability of tenants to pay their rent. To mitigate Atrium REIT's credit risk exposure, the Manager maintains a policy of collecting security deposits from all tenants which act as collateral. The Manager also performs due diligence to assess the prospect/tenants' ability to meet the rental payments prior to commencing the tenancies. The Manager has implemented credit control measures such as close follow-up on rental arrears with tenants and maintaining good tenant relations to ensure timely rental collections.

Acquisition and Investment Risk

The Manager evaluates potential investments from financial, legal and technical aspects prior to recommending to the Board. The Manager manages such risk by evaluating potential acquisitions against the approved investment criteria. Upon approval from the Board, a due diligence will be conducted prior to any acquisition. During the financial year under review, Atrium REIT commenced a major Asset Enhancement Initiative to upgrade its Atrium Shah Alam 4 ("AEI") which was successfully acquired in early FY2021. The AEI will further enhance and optimise the existing property and it is expected to be fully completed in FY2022.

Valuation Risk

The primary method in the valuation of Atrium REIT's properties is the Investment Approach whilst the Cost and Comparison Approach is used for checking and reference purposes. The main parameters for the Investment Approach for valuation are the rental rates, occupancy rates and operational cost. To ensure that the valuation of properties is sustainable so that the Trust's asset value, profitability and gearing will not be affected, all the above factors will be monitored by the Manager to ensure that they are not compromised. Suitable strategies such as building strong relationship with tenants and increasing tenant mix are implemented to mitigate this risk.

Market Risk

The increase demand for warehouse space is expected to increase in tandem with the boom in the e-commerce sector. It is inevitable that with the increase in demand, new investors and competitors will enter the market to take advantage of the increase, and this will put pressure on rental rates when the supply starts to outstrip the demand. The Manager expects the market to remain challenging but is confident that the occupancy and rental rate of Atrium REIT's portfolio will remain stable. Some of the strategies implemented to mitigate the risk of over-supply and stiff competition includes upgrading the service level and property facilities to meet tenants' requirements.

Operation Risk

All the buildings structures, mechanical and electrical installations and fire-fighting system need to be monitored consistently to ensure that the buildings remain in good tenable condition. There are inherent risks whereby the building structures, mechanical and electrical components and the fire- fighting system can be faulty and/or damaged through wear and tear and or negligence.

The Manager mitigates the risk by carrying out half-yearly building inspection with the Property Manager and the tenants to ensure that proper planned maintenance is undertaken accordingly to maintain the buildings in good tenable condition. Provision for sinking fund for maintenance and replacements due to normal wear and tear, is provided on a monthly basis to address operations requirement.

Regulatory and Compliance Risk

As the Manager is licensed under Capital Markets & Services Act 2007 ("CMSA"), it is imperative to comply strictly with the requirements of the CMSA as well as Securities Commission's ("SC") REITs Guidelines. In this respect, regular review was carried out by the Internal Auditors to ensure that Atrium REIT and the Manager comply with all the regulatory requirements including the obligations of the Main Market Listing Requirements relating to REITs.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(cont'd)

RISK MANAGEMENT (CONT'D)

Cyber Risk

Cyber risk is the fastest growing enterprise risk and the growth of this risk is in large part tied to the increasing use of technology as a value driver. Initiatives such as outsourcing, use of third-party vendors, cloud migration, mobile technologies, and remote access which are used to drive growth and improve efficiency, also increase cyber risk exposure. Cyber-attacks result in disruption to operations and loss of confidential data which could lead to financial losses, damage to the Manager/Atrium REIT's reputation and extortion. Some of the controls in place to mitigate the risk of cyber-attacks include compliance to Manager's IT policy, implementation of effective controls such as passwords, firewalls, antivirus and system backup at site and cloud. The Manager has also sent safety tips in attending electronic mail ("email") in order to curb unwarranted phishing email.

Bribery and Corruption risk

The Manager has adopted an Anti-Bribery and Corruption Policy ("Policy") in its effort to combat fraud, bribery and corruption. This Policy commits Atrium REIT/Manager to conducting business in a fair and ethical manner, and affirms its zero-tolerance approach towards all acts of bribery and corruption, and applies to all employees and business associates of Atrium REIT/Manager and it shall be made known to them at the outset of their employment or business relationship, or whenever appropriate. The Manager is fully committed to the compliance of applicable laws and regulations, most notably the Malaysian Anti-Corruption Commission Act 2009 and the Penal Code. For more information, please refer to the Policy published on Atrium REIT's website.

INTERNAL AUDIT FUNCTION

The main objective of the internal audit is to assess the adequacy and effectiveness of the Manager's internal control system and risk management framework. The internal audit plan is reviewed and approved annually by the AC, taking into account the changing business and risk environment as well as feedback from the Manager. The internal audit findings of the Internal Auditors together with its recommendations and the Manager's action plans will be deliberated on during AC meetings. The recommendations proposed by the Internal Auditors once approved by the AC, will be implemented accordingly by the Manager. The Board will be updated on the findings and recommendations of the internal audit review of the Manager's internal control system.

The costs of the internal audit function which was outsourced to PKF Advisory Sdn Bhd amounted to RM15,000, excluding Services Tax and disbursements (2020: RM15,000, excluding Services Tax and disbursements).

The scope of the internal audit function for FY2021 comprised the following compliance reviews:

- a) Property Management; and
- b) Payment Process

Based on the internal audit assessment conducted by the Internal Auditors, the internal control system was adequate and satisfactory, and the Internal Auditors has not detected any significant control weaknesses, non-compliances and/or fraudulent activities.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

CONCLUSION

The Board is of the view that the Manager's system of internal control and risk management for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard Atrium REIT's assets, as well as Unitholders' investments, and the interests of customers, regulators, employees and other stakeholders.

The Board has received assurance from Chief Executive Officer and Chief Financial Officer that, to the best of their knowledge, the Manager's system of internal control and risk management are operating adequately and effectively, in all material aspects, in relation to managing the operations of Atrium REIT.

REVIEWED BY EXTERNAL AUDITORS

The external auditors, BDO PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report of Atrium REIT for the financial year ended 31 December 2021. Their review was conducted in accordance with Assurance Practice Guide 3 ("AAPG 3") Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the external auditors to, and they did not, consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of Atrium REIT's risk management and internal control system. AAPG 3 also does not require the external auditors to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

Based on their procedures performed, the external auditors have reported to the Board that nothing has come to their attention which causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is factually inaccurate.

This Statement on Risk Management and Internal Control was made in accordance with the approval of the Board on 22 February 2022.

AUDIT COMMITTEE REPORT

The Board of Directors of the Manager is pleased to present the Audit Committee Report for the financial year ended 31 December 2021.

The Audit Committee (“AC”) was established to assist the Board of Directors of the Manager (“the Board”) in fulfilling its responsibilities to review, assess and oversee Atrium REIT’s operations in the areas of financial reporting process, risk management and internal control framework, suitability and independence of external auditors, and an effective internal audit function, with the main objective of protecting the interests of unitholders.

COMPOSITION

The AC comprises three (3) members, all of whom are Independent Non-Executive Directors. The AC members of the Manager as at the date of this report are as follows:

Chng Boon Huat
Chairman

Soong Kwong Heng
Member

Tor Peng Sie
Member

The Board is of the view that the AC members have the relevant knowledge, skills and experience to discharge their responsibilities effectively. The AC has written Terms of Reference which deals with its authority and duties.

TERMS OF REFERENCE

The AC is governed by the Terms of Reference as listed below:-

1. Rights and Authority

The AC shall have the following authority as empowered by the Board:

- a) to investigate any activities within its term of reference;
- b) full, free and unrestricted access to any financial information pertaining to the Manager or Atrium REIT;
- c) direct communication channels with the external and internal auditors, as well as all employees of the Manager;
- d) to obtain external independent professional advice as necessary.
- e) to access information (financial or non-financial) of business associates/ agents who are having business relationship with the Manager or Atrium REIT.

2. Duties

The AC shall undertake the following duties and report to the Board of Directors:-

- a) to review quarterly results and year-end financial statements of Atrium REIT and the Company before submission to the Board for approval, focusing particularly on:
 - i. the going concern assumption;
 - ii. any changes in or implementation of major accounting policies and practices;
 - iii. significant issues arising from the audit including financial reporting issues, significant and unusual events or transactions, and how these matters are addressed;
 - iv. compliance with accounting standards, regulatory and other legal requirements; and
 - v. any major judgmental matters.

AUDIT COMMITTEE REPORT

(cont'd)

TERMS OF REFERENCE (CONT'D)

2. Duties (cont'd)

- b) to recommend for Board's approval, the nomination and appointment (if any), re-appointment of external auditors and their audit fee;
- c) to discuss the underlying reasons relating to resignation or dismissal of the external auditors, if any;
- d) to discuss with the external auditors, prior to the commencement of audit, their audit plan, and to ensure an effective co-ordination of audit where internal audit is involved;
- e) to review with the external auditors, their evaluation of system of internal controls, their management letter and the management's responses;
- f) to review the assistance given by employees of the Company to the external auditors;
- g) to conduct an annual assessment on the suitability, objectivity and independence of the external auditors, in accordance with the assessment procedures as set by the Manager;
- h) to ensure that the internal audit function is independent and reports directly to the AC and the said internal audit function shall have direct access to the Chairman of the AC on all internal audit matters pertaining to Atrium REIT or the Manager;
- i) to approve the budget for the internal audit function including the proposed internal audit fees;
- j) to evaluate the performance and independence of the internal auditor (independent professional firm) including any matter concerning their appointment or termination;
- k) to review the internal audit function, including the following:
 - i. adequacy of the audit scope, functions, competency and resources of the internal audit function;
 - ii. internal audit plan including its work programme and activities;
 - iii. internal audit reports pertaining to the effectiveness of internal control, risk management and governance processes including compliance with the operational manuals, Securities Commission's Guidelines on Real Estate Investment Trusts and Bursa Malaysia Securities Berhad's Listing Requirements; and
 - iv. major findings of internal audit report and management's response, and ensure that appropriate actions are taken based on the recommendations of the internal auditor;
- l) to review any related party transactions and situations where a conflict of interest may arise with the Company, including any transaction, procedure or course of conduct that raises questions of management integrity;
- m) to review the effectiveness of risk management including identifying new risks and assessing the adequacy of controls to mitigate or manage those risks, on an annual basis;
- n) to ensure there is a systematic review on the implementation of adequate procedures to curb bribery and corruption risk faced by the Manager;
- o) to review all financial information to be provided to the regulators and/or to the public;
- p) to report promptly to Bursa Securities Berhad on any matter reported which has not been satisfactorily resolved by the Board which will result in the breach of the Listing Requirements of Bursa Securities;
- q) to review whistle-blowing policy;

AUDIT COMMITTEE REPORT
(cont'd)

TERMS OF REFERENCE (CONT'D)

2. Duties (cont'd)

- r) to review and recommend to the Board for approval the following statements for inclusion in Atrium REIT's Annual Report:
 - i. Audit Committee Report,
 - ii. Corporate Governance Overview Statement,
 - iii. Statement on the Board of Directors' responsibility for the preparation of the annual audited financial statements,
 - iv. Statement of Risk Management and Internal Control; and
- s) to consider other matters as may be directed by the Board from time to time.

MEETINGS

The AC shall meet at quarterly intervals or such other intervals as the AC shall decide. The quorum necessary for the transaction of the business of the AC shall be two (2) members. For FY2021, the AC had five (5) meetings without the presence of other Directors and employees, except at the invitation of the AC. Only the Chief Financial Officer ("CFO") and Senior Finance Manager ("SFM") were invited to the AC meeting to facilitate communication and to provide clarification on issues relating to financial statements and business operations.

The attendance of the AC members for the meetings held for FY2021 was as follows:-

Member	Designation	Number of AC Meeting	Attendance	Percentage of Attendance (%)
Chng Boon Huat	Independent Non-Executive Director	5	5	100
Soong Kwong Heng	Independent Non-Executive Director	5	5	100
Tor Peng Sie	Independent Non-Executive Director	5	5	100

SUMMARY OF ACTIVITIES

The AC's activities for FY2021 comprised the following:-

- a) The internal audit function was outsourced to an independent internal audit firm, PKF Advisory Sdn. Bhd. ("PKF"). On 25 January 2021, the AC reviewed the Internal Audit report and based on the findings of the report, Atrium REIT had fully complied with the requirements of the Guidelines on Listed REITs issued by the Securities Commission Malaysia ("SC"), and the relevant provisions of the Listing Requirements.
- b) On 25 January 2021, the AC reviewed and discussed the audited financial statements of Atrium REIT for the financial year ended 31 December 2020, with the External Auditors prior to recommending the audited financial statements to the Board for approval. The audited financial statements included in the Annual Report, were issued to Unitholders on 28 February 2021.

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES (CONT'D)

- c) On 27 April 2021, the AC reviewed and approved the Risk Management Framework after PKF, the outsourced independent internal audit firm, presented the Enterprise Risk Management report to the AC. The report noted that appropriate control measures in relation to the risk's environmental components (i.e., investment, financial and sustainability) were in place, either preventive, detective and/or corrective, to mitigate the impact of the identified risks and reduce the likelihood of occurrences. The Management has put in efforts to review and update Standard Operating Procedures on Property Management, Tender and Procurement; and implemented policies on Anti Money Laundering and Business Continuity Plan.
- d) Reviewed quarterly financial reports and income distributions of Atrium REIT, to ensure that the quarterly reports were in compliance with the Malaysia Financial Reporting Standards (MFRS) 134 Interim Financial Reporting, Part A and Part D of Appendix 9B of the Listing Requirements and the relevant approved accounting standards so as to give a true and fair view of the quarterly results.

The AC subsequently made its recommendations to the Board of the Manager for approval before announcing the quarterly reports and income distributions to Bursa Securities.

- e) Reviewed the scope, functions and internal audit plan of the internal audit function. The AC also decided that the scope of the internal audit function for FY2021 would focus on Property Management and Payment Process.
- f) On 28 October 2021, the AC reviewed and discussed with the External Auditors on the Audit Planning for FY2021, in respect of the following areas:
- i) Engagement and reporting responsibilities;
 - ii) BDO audit approach;
 - iii) Materiality and performance materiality;
 - iv) Areas of significant auditor attention;
 - v) Engagement team;
 - vi) Reporting, deliverables and audit fees;
 - vii) Auditing updates; and
 - viii) Financial reporting updates.
- g) The AC had two (2) private sessions with the External Auditors on 25 January 2021 and 28 October 2021 respectively, without the presence of the Executive Director and Management, to discuss various audit issues and concerns that the External Auditors wished to highlight to the AC. The AC was also informed by the External Auditors that they had received good cooperation from the Management and they were able to access all the necessary information to carry out their functions effectively.
- h) Reviewed on a quarterly basis, all related party transactions entered into by Atrium REIT.
- i) Reported to the Board on matters and issues discussed during the AC meetings, together with applicable recommendations for approvals.

AUDIT COMMITTEE REPORT
(cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function of the Manager which was outsourced to an independent internal audit firm, PKF reports to the AC. The AC in ensuring that its responsibilities are fully discharged in accordance with the International Standards for the Professional Practice of Internal Auditing, reviews the audit plan, adequacy of the scope and resources of the internal audit function as well as the competency and experience of the Internal Auditors.

The audit findings of the Internal Auditors together with its recommendations and the Manager's action plans will be deliberated on during the AC meetings. The recommendations made by the Internal Auditors once approved by the AC, will be implemented accordingly by the Manager. The Board will be updated on the results of the internal audit review of the Manager's internal control system.

Detailed information of internal audit activities are disclosed in the Statement on Risk Management and Internal Control whereas information on the assessment of the effectiveness and independence of the internal audit function are provided in the Corporate Governance Overview Statement.

SUSTAINABILITY STATEMENT

ABOUT THIS STATEMENT

This Sustainability Statement provides sustainability performance review of Atrium Real Estate Investment Trust (“Atrium REIT”) for the financial year ended 31 December 2021 (“FY2021”).

Beyond improving the Economic, Environmental, Social and Governance (“EESG”) performance across its operations, Atrium REIT’s approach to sustainability also includes developing a sustainability-oriented organisational culture as well as cascading sustainability across its value chain to suppliers and its business partners.

Atrium REIT is looking to further integrate non-financial matters into its business strategies going forward, given the former’s increasing significance to Atrium REIT overall business performance and value creation capabilities in the long-term.

FRAMEWORKS APPLIED

This Statement has been prepared in accordance with the following frameworks:

- Bursa Malaysia Sustainability Reporting Guide Second Edition (and supporting toolkits)
- Bursa Malaysia Main Market Listing Requirements
- Where relevant, in reference to the Global Reporting Initiative (“GRI”) Standards 2020

SCOPE, BOUNDARY & REPORT QUALITY

This Statement covers the full financial year of 1 January to 31 December 2021 and is written in accordance with and guided by Bursa Malaysia Securities Berhad’s Main Market Listing Requirements and the Sustainability Reporting Guide and Toolkits.

This Statement is based on Atrium REIT’s ability to collect meaningful data from its property portfolio. Such data is based on the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. It takes into account stakeholder views, internal assessment of material matters and risks factors, as well as emerging trends and opportunities within the operating environment.

Atrium REIT is cognisant that data-gathering challenges still exist with tenants. Nonetheless, Atrium REIT continues to drive for comprehensive and timely data collection systems through continuous engagement with such stakeholders, working toward strengthening disclosures.

FEEDBACK

Atrium REIT is cognisant of the value of stakeholder engagement in driving for continuous improvement and welcomes feedback, comments and suggestions to be sent to: marklee@atriumreit.com.my

SUSTAINABILITY STATEMENT
(cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE

Atrium REIT adopts a three-tier reporting structure with regards to sustainability governance. With the Board of Directors (“Board”) at the helm, sustainability strategies and initiatives of Atrium REIT are spearheaded by the Chief Executive Officer (“CEO”) and supported by the Senior Management (“SM”).

The roles and responsibilities of each tier of the governance structure is as follows:

The Board of Directors

- Aligns corporate and division priorities, and strategies with sustainability vision;
- Develops the overarching sustainability strategy;
- Reviews and approves the sustainability matters identified;
- Reviews, deliberates and approves the sustainability initiatives, and activities proposed by the CEO; and
- Monitors the overall achievement of sustainability strategies adopted by Atrium REIT

CEO

- Implements sustainability directives and policies introduced by the Board;
- Identifies and recommends any changes in sustainability initiatives, activities and method of implementation;
- Recommends to the Board for its approval of sustainability matters identified;
- Reviews the material matters identified by the SM;
- Identifies and recommends compliance with sustainability guidelines and regulatory requirements to ensure the disclosures of the Sustainability Statement in the Annual Report is in accordance with Bursa Malaysia Securities’ Main Market Listing Requirements;
- Reviews and suggests improvements on the disclosures of sustainability initiatives and activities, which falls under the purview of the SM; and
- Overseeing the preparation of Statement

SM

- Implements sustainability initiatives and activities to manage the economic, environmental and social risks and opportunities;
- Implements changes in sustainability initiatives, activities and method of implementation as advised by CEO;
- Carries out Materiality Assessment based on the data collected for monitoring and managing of economic, environmental and social risks;
- Reports the results/ status of the action plans to the CEO on a periodical basis;
- Assesses the sustainability material matters and efforts to address the materiality issues; and
- Prepares Sustainability Statement for inclusion in the Annual Report

An ongoing important sustainability governance highlight has been the implementation of the Anti-Bribery and Anti-Corruption (“ABAC”) policy. Stakeholders involved in the business have been notified of this policy and are aware of the values that this company abides by. It is available for viewing at: www.atriumreit.com.my.

All new or renewal contracts offered by Atrium REIT will be accompanied by a written copy of the ABAC. External parties must acknowledge the receipt of the same and provide their acceptance to abide by the policy as part of their contractual terms. Failing to do so may result in contract termination or other forms of legal remedies. The intention is to establish a Board level Integrity and strengthen the anti-corruption agenda.

SUSTAINABILITY STATEMENT (cont'd)

STRONG CODE OF ETHICS AND CONDUCT

The Code of Ethics and Conduct outlines the expected ethical corporate behaviour and professionalism required by the company whilst also providing insight on what type of behaviour is deemed unacceptable.

The code focuses on issues such as:

- Compliance with laws (including those related to anti-money laundering, personal data protection and anticorruption);
- Conflicts of interests;
- Harassment of any kind including sexual, verbal or physical harassment; and
- Expected course of actions in the event of non-compliance including proper reporting of suspected noncompliance.

The codes are constantly reviewed by the Board of Directors in order to be kept up to date.

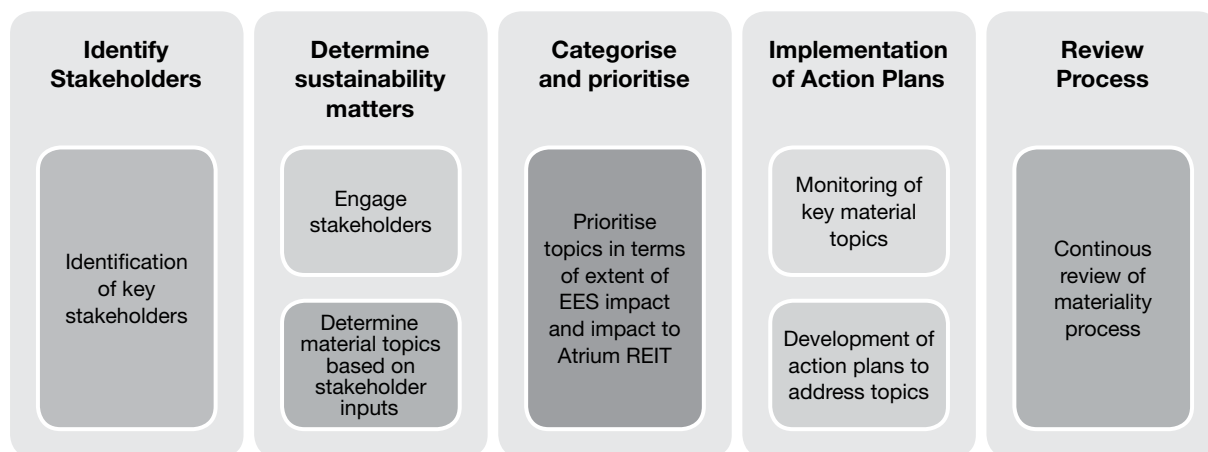
Other governing policies also include:

ABAC Policy	Fraud Policy	IT Policy	Whistleblowing Policy
Please refer to previous page for information of the Policy.	Facilitates the development of controls, which aid in the detection and prevention of fraud.	Facilitates and supports the authorised access to Company information.	Facilitates reports to be made anonymously on allegations of corruption, fraud, misconduct and other forms of malpractice and enables the investigation of the same. Whistleblowers' identities are not divulged and remain free from reprisal, or intimidation in any form.

SUSTAINABILITY STATEMENT
(cont'd)

MATERIALITY ASSESSMENT

Stakeholder relations is a top priority for Atrium REIT to ensure sustainability which is why engagement with stakeholders is so heavily focused on. Therefore, Atrium REIT has a four-step materiality identification and prioritisation approach in place that ensures confirmed selected materiality matters truly capture the broader issues and impacts faced or caused by our business presence and operations.



RELEVANCE OF MATERIALITY MATTERS TO OUR STAKEHOLDERS

MATERIAL TOPICS/ IMPACTED STAKEHOLDERS	Board of Directors/ Employees	Unitholders/ Investors	Regulatory Authorities	Trustee	Tenants	Suppliers/ Vendors
Anti-Corruption and Corporate Governance	√	√	√	√	√	√
Quality Certifications for Assets			√		√	
Asset Enhancement Initiatives	√	√	√	√	√	√
Resource (Energy, Water, Fuel) Consumption			√		√	√
Talent Management And Development	√		√	√	√	
Training & Development	√		√	√	√	

SUSTAINABILITY STATEMENT (cont'd)

RELEVANCE OF MATERIALITY MATTERS TO OUR STAKEHOLDERS (CONT'D)

MATERIALITY TOPICS	BOUNDARY	UN SDGS
Anti-Corruption and Corporate Governance	Organisation Wide	
Quality Certifications for Assets	Organisation Wide	
Asset Enhancement Initiatives	Organisation wide and External	
Resource (Energy, Water, Fuel) Consumption	External	
Talent Management And Development	Organisation Wide	
Training & Development	Organisation Wide	

STAKEHOLDER MANAGEMENT & ENGAGEMENT

The Manager of Atrium REIT understands the value that stakeholders possess in paving the way for the future. This would include sustainability developments, future business strategies/policies and prioritisation of material sustainability matters.

One of the stakeholder engagement highlights was the leverage of technology to facilitate remote unitholders' participation and remote online voting (i.e. voting in absentia) in conducting the Ninth Annual General Meeting ("AGM") due to the Covid-19 pandemic. The virtual AGM was a success and further consideration is being given on the feasibility of retaining this approach for future AGMs.

Atrium REIT defines stakeholders as individuals, entities or organisations that are impacted by the business operations, strategies and processes of Atrium REIT and conversely, individuals, entities or organisations that have the capability to impact Atrium REIT in a similar manner.

SUSTAINABILITY STATEMENT
(cont'd)

STAKEHOLDER MANAGEMENT & ENGAGEMENT (CONT'D)

Stakeholders	Concerns/ Expectations	Engagement channel	Specific activities
Unitholders/ Investors	<ul style="list-style-type: none"> • Sustainable and growing income distribution • Financial performance • Corporate governance • Proactive investor relation; • Timely and transparent reporting • Prudent risk management 	<ul style="list-style-type: none"> • Annual general meeting • Unitholders meeting • Annual report • Interim financial announcement • Corporate announcement • Meeting with analysts, fund managers and investors • Website 	<ul style="list-style-type: none"> • Voluntary disclosures on earnings outlook, business strategies • Segmental outlook on a quarterly basis to enable the investment community to more informed investment decisions
Trustee	<ul style="list-style-type: none"> • Annual return • Financial performance • Sustainable growth and fund stability 	<ul style="list-style-type: none"> • Annual general meeting • Extraordinary general meeting • Website 	<ul style="list-style-type: none"> • Immediate communication on material developments via meetings, announcements, media and website releases • Robust risk management framework with periodic evaluations to encompass the latest potential risks identified with corresponding mitigation action plans
Tenants	<ul style="list-style-type: none"> • Tenant engagement and support • Business activity and ethics • Conducive operating environment 	<ul style="list-style-type: none"> • Contract agreements • One-on-one meetings • Direct and immediate communication via email and electronic channels • Joint inspection with property managers 	<ul style="list-style-type: none"> • All requests and feedbacks are reviewed to in a timely manner by the manager • Adherence to best practices and the highest standard of business integrity • Affirm operational health and safety practices • Continuous effort to improve quality of building for tenant satisfaction
Suppliers, Contractors & Service Providers	<ul style="list-style-type: none"> • Fair and transparent procurement process 	<ul style="list-style-type: none"> • Contract agreements • One-on-one meetings • Direct and immediate communication via email and electronic channels 	<ul style="list-style-type: none"> • Professional and transparent procurement policies and procedures

SUSTAINABILITY STATEMENT (cont'd)

STAKEHOLDER MANAGEMENT & ENGAGEMENT (CONT'D)

Stakeholders	Concerns/ Expectations	Engagement channel	Specific activities
Board of Directors & Employees	<ul style="list-style-type: none"> • Fair remuneration • Equal opportunity workplace • Career development • Work-life balance • Employee benefits 	<ul style="list-style-type: none"> • Training and development opportunities • Job appraisal • Benefits package • Company interest 	<ul style="list-style-type: none"> • Benchmarking against market remuneration packages and practices • Constant engagement with employees to understand their professional needs and requirements • Organising training and development initiatives for employees for their career development • Organising social events
Regulatory Authorities	<ul style="list-style-type: none"> • Regulatory • Compliance • Close communication and engagement • Staying abreast with policy and regulatory changes 	<ul style="list-style-type: none"> • Attending talks and conferences organised by regulators • Implementing policies instituted by the regulators 	<ul style="list-style-type: none"> • Adherence and compliance to all legislation and guidelines

ASSET ENHANCEMENT INITIATIVES

At Atrium REIT, we are always looking to improve in anyway possible and this includes initiatives to increase energy efficiency and safety features which fall under the asset enhancements initiatives (AEI) that the Manager focuses on.

Necessary improvements can be made accordingly as our strong relationship with tenants allows for positive two-way communication to be initiated. This along with our regular maintenance of assets, displays the level of optimisation Atrium REIT operates at.

The Manager will continue to undertake AEIs as and when required to maintain or enhance the market value and attractiveness of the properties.

2021 RESOURCE (ENERGY, WATER, FUEL) CONSUMPTION

The Manager is aware of the impact that energy/water consumption along with emissions and waste products have on the environment, the lack of systematic data collection in a timely manner from our tenants has been an issue.

This lack of accurate data acts as an obstacle for the Manager to make the appropriate changes to manage resource consumption and monitor wastes/emissions. Despite this, the Manager will continue to work closely with the tenants, encouraging them to implement proper data collection systems and look forward to disclosing such related information in future Sustainability Statement.

SUSTAINABILITY STATEMENT
(cont'd)

2021 RESOURCE (ENERGY, WATER, FUEL) CONSUMPTION (CONT'D)

The following are the extrapolated figures for water and electricity consumption in each property for FY2021:

Property	Water (RM)	Electricity (RM)
Atrium Shah Alam 1	44,726.18	617,996.50
Atrium Shah Alam 2	28,216.84	383,669.43
Atrium Shah Alam 3	3,784.22	422,845.47
Atrium USJ	13,758.60	133,613.14
Atrium Puchong	53,537.94	223,441.72
Atrium Bayan Lepas 1	230,935.18	6,557,892.59
Atrium Bayan Lepas 2	571,393.54	14,331,325.35
TOTAL	946,352.50	22,670,784.20

Note: Figures for November and December 2021 were extrapolated due to ongoing bill collection.

The above table represents a progressing benchmark, as Atrium REIT is instituting a monitoring system for effective management. With such records, we will explore and execute methods to optimise consumption of water and electricity and enable increased savings.

TALENT MANAGEMENT AND DEVELOPMENT

The Manager of Atrium REIT has achieved the business objectives and reached greater heights over the years. The Manager believes in motivating and encouraging staff to improve themselves through training programmes and professional development.

The combination of various types of skillset, qualifications and experience possess by the respective talents allow the workforce and Board to adapt and thrive in a fast-evolving marketplace.

Atrium REIT complies with the Employment Act 1995 and other legal statutory provisions. All staff earn salaries that at least meet or are above the Malaysian Minimum Wage Order 2018.

For specific details on the Board and senior management composition, please refer to the Board of Directors profile section of this annual report.

TRAINING & DEVELOPMENT

The Manager is cognizant of its key assets – the workforce. Hence, it is its priority to ensure the staffs are well trained and kept abreast of current industrial development. However, owing to the restrictions in light of pandemic during FY2021, such activities were scaled down and held online in the interest of health and safety. The Manager will continue to source for suitable professional and technical courses to develop staff competency and expertise moving forward.

MANAGER'S REPORT

Atrium REIT Managers Sdn Bhd, the Manager of Atrium Real Estate Investment Trust ("Atrium REIT" or "Trust"), is pleased to present the Manager's Report together with the audited financial statements of Atrium REIT for the financial year ended 31 December 2021 ("FY2021").

ABOUT THE MANAGER

Atrium REIT Managers Sdn Bhd ("Manager") was established in 2005 and is a subsidiary of Glory Blitz Industries Sdn Bhd. The Manager's Board of Directors and key personnel comprise experienced individuals in their respective fields of expertise.

PRINCIPAL ACTIVITY OF THE MANAGER

The principal activity of the Manager is providing management and administrative services to real estate investment trusts. There has been no significant change in the nature of this activity during the financial year.

THE TRUST AND ITS PRINCIPAL ACTIVITY

Atrium REIT is an industrial asset focused real estate investment trust constituted by a Trust Deed entered into on 20 November 2006, amended by the First Supplementary Deed dated 25 November 2008 and the Restated Deed dated 24 March 2016 between CIMB Commerce Trustee Berhad (formerly known as BHLB Trustee Berhad) as the Trustee and Atrium REIT Managers Sdn Bhd as the Manager (collective known as "First Deed").

On 21 April 2016, the Manager, CIMB Commerce Trustee Berhad ("Retiring Trustee") and Pacific Trustees Berhad ("New Trustee") entered into a Second Supplementary Deed to effect the change of trustee of Atrium REIT from the Retiring Trustee to the New Trustee. The First Deed and the Second Supplementary Deed was further amended by a Second Restated Deed dated 17 December 2019 ("Second Deed") entered into between the Manager and Pacific Trustees Berhad, as the Trustee of Atrium REIT.

Atrium REIT was listed on Main Board of Bursa Malaysia Securities Berhad on 2 April 2007.

The principal activity of Atrium REIT is to own and invest in real estate and real estate-related assets, whether directly or indirectly through the ownership of single-purpose companies whose principal assets comprise real estate. The investment portfolio of Atrium REIT as at 31 December 2021 comprise Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Shah Alam 3, Atrium Shah Alam 4, Atrium Bayan Lepas 1, Atrium Bayan Lepas 2, Atrium Puchong and Atrium USJ (collectively called the "Properties"). These Properties are located at prime industrial sites in the Klang Valley and Penang and, save and except for Atrium Shah Alam4, are tenanted by multinational companies and established local companies.

MANAGER'S FEES AND COMMISSION

Pursuant to the Second Deed, for the financial year ended 31 December 2020, the Manager received a fee of 1.0% per annum of the Net Asset Value of the Trust with effect from 1 August 2021.

During the year, the Manager did not receive any soft commission (i.e. goods and services) from brokers or agents by virtue of transactions conducted by Atrium REIT.

MANAGER'S REPORT
(cont'd)

DIRECTORS OF THE MANAGER

The names of the Directors of the Manager who served on the Board since the date of last report are:

Dato' Dr Ir Mohamad Khir Bin Harun (Chairman)
Wong Sui Ee
Chan Wan Seong
Chng Boon Huat
Tor Peng Sie
How Hu Son
Soong Kwong Heng

DIRECTORS' BENEFITS

During and at the end of the financial year, no arrangement subsisted to which the Manager is a party with the object or objects of enabling the Directors to acquire benefits by means of acquisition of units in or debentures of Atrium REIT or any other body corporate.

Since the establishment of the Trust, no Director has received or become entitled to receive any benefits by reason of a contract made by the Manager for Atrium REIT or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the notes to the financial statements.

DIRECTORS' INTERESTS

According to the register of Directors' unitholdings in the Atrium REIT, the interests of Directors of the Manager in office at the end of the financial year ended 31 December 2021 are as follows:

	At 1 January 2021	Bought	Sold	At 31 December 2021
Direct Interest				
Dato' Dr Ir Mohamad Khir Bin Harun	-	-	-	-
Wong Sui Ee	522,200	-	-	522,200
Chan Wan Seong	500,000	-	-	500,000
Chng Boon Huat	-	-	-	-
Tor Peng Sie	140,000	-	-	140,000
How Hu Son	100,000	-	-	100,000
Soong Kwong Heng	77,000	-	-	77,000

MANAGER'S REPORT (cont'd)

OTHER STATUTORY INFORMATION

Before the financial statements of the Trust were made out, the Manager took reasonable steps:

- (i) to ascertain that proper action has been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that there are no known bad debts to be written off and no provision for doubtful debts is required; and
- (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business have been written down to an amount which they might be expected so to realise.

From the end of the financial year to the date of this report, the Manager is not aware of any circumstances:

- (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statement of the Trust;
- (ii) which would render the values attributed to current assets in the financial statements of the Trust misleading; and
- (iii) which have arisen that render adherence to the existing method of valuation of assets or liabilities of the Trust misleading or inappropriate.

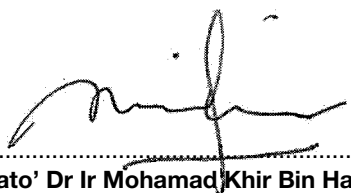
In the opinion of the Manager:

- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Trust for the financial year in which this report is made; and
- (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which would or may affect the ability of the Trust to meet its obligations as and when they fall due.

As at the date of this report:

- (i) There are no charges on the assets of the Trust which have arisen since the end of the financial year to secure the liabilities of any other person.
- (ii) There are no contingent liabilities of the Trust which have arisen since the end of the financial year.

Signed on behalf of the Board in accordance with a resolution of the Directors of the Manager.



Dato' Dr Ir Mohamad Khir Bin Harun



Wong Sui Ee

STATEMENT BY DIRECTORS OF THE MANAGER

In the opinion of the Directors of Atrium REIT Managers Sdn. Bhd. (“the Manager”), the financial statements set out on pages 78 to 113 have been drawn up in accordance with the provisions of the Second Restated Deed dated 17 December 2019, the Securities Commission’s Guidelines on Real Estate Investment Trusts, applicable securities laws, Malaysian Financial Reporting Standards and International Financial Reporting Standards so as to give a true and fair view of the financial position of Atrium Real Estate Investment Trust as at 31 December 2021 and of the financial performance and cash flows for the financial year then ended.

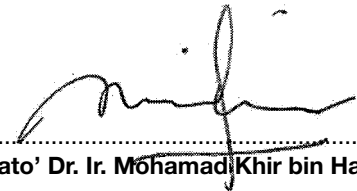
On behalf of the Manager,

Atrium REIT Managers Sdn. Bhd.
in accordance with a resolution of the Directors of the Manager



Wong Sui Ee

Kuala Lumpur
22 February 2022



Dato' Dr. Ir. Mohamad Khir bin Harun

STATUTORY DECLARATION

I, Wong Sui Ee, being the Director of the Manager, Atrium REIT Managers Sdn. Bhd. primarily responsible for the financial management of Atrium Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 78 to 113 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly)
declared by the abovenamed at)
Kuala Lumpur in the Federal)
Territory this)
22 February 2022)



Wong Sui Ee

Before me:-
Commissioner for Oaths



SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

TRUSTEE'S REPORT

We, Pacific Trustees Berhad, have acted as Trustee of Atrium Real Estate Investment Trust ("Atrium REIT") for the financial year ended 31 December 2021. In our opinion and to the best of our knowledge, Atrium REIT Managers Sdn. Bhd. ("the Manager") has managed Atrium REIT in accordance with the limitations imposed on the investment powers of the Manager and the Trustee under the Second Restated Deed dated 17 December 2019 (collectively referred to as "the Deed"), the Securities Commission's Guidelines on Real Estate Investment Trusts, the Capital Markets and Services Act 2007 (as amended from time to time) and other applicable laws for the financial year ended 31 December 2021.

We have ensured the procedures and processes employed by the Manager to value and price the units of Atrium REIT are adequate and that such valuation/pricing is carried out in accordance with the Deed and other regulatory requirements.

We also confirm that the income distributions declared and paid during the financial year ended 31 December 2021 are in line with and are reflective of the objectives of Atrium REIT. Distributions that have been paid or proposed for the financial year ended 31 December 2021 are as follows:

- 1) First interim income distribution of 2.50 sen paid on 2 June 2021.
- 2) Second interim income distribution of 2.20 sen paid on 30 August 2021.
- 3) Third interim income distribution of 2.50 sen paid on 30 November 2021.
- 4) Proposed fourth and final income distribution of 2.55 sen payable on 28 February 2022.

For and on behalf of the Trustee,
Pacific Trustees Berhad (Registration No. 199401031319 (317001-A))



.....
Razak Bin Ahmad
Chief Executive Officer

Kuala Lumpur, Malaysia
22 February 2022

INDEPENDENT AUDITORS' REPORT

To the Unitholders of Atrium Real Estate Investment Trust
(Established in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Atrium Real Estate Investment Trust ("Atrium REIT"), which comprise the statement of financial position as at 31 December 2021, and statement of profit or loss and other comprehensive income, statement of changes in net asset value and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 78 to 113.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Atrium REIT as at 31 December 2021, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs") and International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of Atrium REIT in accordance with *the By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of Atrium REIT for the current year. These matters were addressed in the context of our audit of the financial statements of Atrium REIT as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of investment properties

With reference to Note 4 of the financial statements, Atrium REIT's investment properties were carried at RM502,875,648 as at 31 December 2021.

The investment properties are stated at their fair values, which are estimated by the Manager of Atrium REIT with the assistance of independent external valuers.

There were significant judgements and estimates used in relation to the valuation of Atrium REIT's investment properties including allowance for void, term yield rates, reversionary yield rates, discount rates, different in location, size, tenure and conditions.

INDEPENDENT AUDITORS' REPORT
To the Unitholders of Atrium Real Estate Investment Trust
(Established in Malaysia)
(cont'd)

Key Audit Matters (cont'd)

Audit response

Our audit procedures included the following:

- (i) assessed and discussed with management of their process for reviewing the work of the independent valuers;
- (ii) assessed the competency, independence and integrity of the independent valuers;
- (iii) obtained the independent valuation reports and discussed with the independent valuers the results of their work;
- (iv) tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged significant key inputs and assumptions adopted;
- (v) challenged the key assumptions used to arrive at a common basis for comparison to external industry data, in particular the different in location, size, facilities and market conditions; and
- (vi) benchmarked and challenged the key assumptions to external industry data and comparable property transactions, in particular the allowance for void, term yield rates, reversionary yield rates and discount rates.

Information Other than the Financial Statements and Auditors' Report Thereon

The Manager of Atrium REIT is responsible for the other information. The other information comprises of all information included in the annual report, but does not include the financial statements of Atrium REIT and our auditors' report thereon.

Our opinion on the financial statements of Atrium REIT does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of Atrium REIT, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of Atrium REIT or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of the Directors of the Manager and Trustee for the Financial Statements

The Directors of the Manager are responsible for the preparation of financial statements of Atrium REIT that give a true and fair view in accordance with MFRSs, IFRSs and the Securities Commission's Guidelines on Real Estate Investment Trusts. The Directors of the Manager are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of Atrium REIT that are free from material misstatement, whether due to fraud or error. The Trustee is responsible for ensuring that the Directors of the Manager maintain proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

In preparing the financial statements of Atrium REIT, the Directors of the Manager are responsible for assessing the ability of Atrium REIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors of the Manager either intend to liquidate Atrium REIT or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT
To the Unitholders of Atrium Real Estate Investment Trust
(Established in Malaysia)
 (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of Atrium REIT as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of Atrium REIT, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Atrium REIT.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Manager.
- (d) Conclude on the appropriateness of the Directors of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Atrium REIT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of Atrium REIT or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Atrium REIT to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of Atrium REIT, including the disclosures, and whether the financial statements of Atrium REIT represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Atrium REIT to express an opinion on the financial statements of Atrium REIT. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT
To the Unitholders of Atrium Real Estate Investment Trust
(Established in Malaysia)
(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)


We communicate with the Directors of the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors of the Manager, we determine those matters that were of most significance in the audit of the financial statements of Atrium REIT for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

This report is made solely to the Unitholders of Atrium REIT in accordance with the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



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BDO PLT
LLP0018825-LCA & AF 0206
Chartered Accountants

Kuala Lumpur
22 February 2022



.....
Lee Wee Hoong
03316/07/2023 J
Chartered Accountant

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 RM	2020 RM
ASSETS			
Non-current asset			
Investment properties	4	502,875,648	460,376,753
Investment properties – accrued lease income	5	6,824,352	3,323,247
		509,700,000	463,700,000
Current assets			
Trade and other receivables	5	6,327,813	9,630,507
Deposits with a licensed bank	6	22,745,492	30,385,550
Bank balances	6	1,769,567	861,407
		30,842,872	40,877,464
TOTAL ASSETS		540,542,872	504,577,464
LIABILITIES			
Non-current liabilities			
Trade and other payables	7	12,454,863	9,225,474
Borrowings	8	211,231,130	175,231,130
Deferred tax liability	9	7,473,786	7,392,942
		231,159,779	191,849,546
Current liabilities			
Trade and other payables	7	2,478,448	7,371,682
Borrowings	8	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

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021
(cont'd)

	Note	2021 RM	2020 RM
FINANCED BY:			
UNITHOLDERS' FUNDS			
Unitholders' capital	10	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	10	204,625,680	204,625,680
NAV PER UNIT (RM)			
Before income distribution ¹		1.2857	1.2987
After income distribution ²		1.2602	1.2687

¹ Before the proposed final income distribution of 2.55 sen per unit (2020: 3.00 sen per unit)

² After the proposed final income distribution of 2.55 sen per unit (2020: 3.00 sen per unit)

The accompanying notes form an integral part of the financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 RM	2020 RM
Gross revenue	13	39,055,704	34,404,565
Property operating expenses	14	(2,643,153)	(2,167,124)
Net property income		36,412,551	32,237,441
Interest income		556,553	766,047
Other income		22,339	197,734
Reversal of impairment losses on trade receivables		750,000	-
Total income		37,741,443	33,201,222
Manager's fees	15	(2,353,836)	(2,107,084)
Trustee's fees	16	(235,384)	(210,708)
Auditors' fee		(38,000)	(38,000)
Tax agent's fee		(7,150)	(12,500)
Finance costs	17	(8,460,398)	(7,122,889)
Valuation fees		(99,821)	(110,000)
Administrative expenses		(2,891,280)	(1,473,930)
Others		(180,450)	(615,437)
Changes in fair value of investment properties	4	(5,189,083)	(399,642)
Total expenses		(19,455,402)	(12,090,190)
Profit before tax		18,286,041	21,111,032
Tax expense	18	(80,844)	(152,829)
Profit for the financial year		18,205,197	20,958,203
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		18,205,197	20,958,203
Profit for the financial year is made up as follows:			
Realised		19,974,019	18,793,388
Unrealised - changes in fair value of investment properties, deferred tax expense and lease receivables.		(1,768,822)	2,164,815
		18,205,197	20,958,203
Basic and diluted earnings per unit (sen)			
Before Manager's fees	19	10.05	11.27
After Manager's fees	19	8.90	10.24

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the financial year ended 31 December 2021
(cont'd)

	2021 RM	2020 RM
Net income distributions*		
First interim income distribution of 2.50 sen paid on 2 June 2021 (2020: 2.00 sen paid on 24 June 2020)	5,115,643	4,092,513
Second interim income distribution of 2.20 sen paid on 30 August 2021 (2020: 2.00 sen paid on 10 September 2020)	4,501,765	4,092,513
Third interim income distribution of 2.50 sen paid on 30 November 2021 (2020: 2.00 sen paid on 25 November 2020)	5,115,642	4,092,513
Proposed final income distribution of 2.55 sen payable on 28 February 2022 (2020: 3.00 sen paid on 26 February 2021)	5,217,955	6,138,770
	19,951,005	18,416,309
Income distribution per unit*		
First interim income distribution	2.50	2.00
Second interim income distribution	2.20	2.00
Third interim income distribution	2.50	2.00
Proposed final income distribution	2.55	3.00
	9.75	9.00

* Withholding tax will be deducted for distributions made to the following categories of unitholders:

	Withholding tax rate	
	2021	2020
Resident corporate	Nil [^]	Nil [^]
Resident non-corporate	10%	10%
Non-resident individual	10%	10%
Non-resident corporate	24%	24%
Non-resident institutional	10%	10%

[^] No withholding tax; tax at prevailing tax rate

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN NET ASSET VALUE

For the financial year ended 31 December 2021

	----- Undistributed income -----			
	Unitholders' capital RM	Realised RM	Unrealised RM	
At 1 January 2021	204,129,835	6,985,759	54,640,642	265,756,236
Total comprehensive income				
Profit for the financial year	-	19,974,019	(1,768,822)	18,205,197
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, representing the increase in net assets resulting from operations	-	19,974,019	(1,768,822)	18,205,197
Unitholders' transactions				
Distributions to unitholders:				
- 2021 interim	-	(14,733,050)	-	(14,733,050)
- 2020 final	-	(6,138,770)	-	(6,138,770)
Decrease in net assets resulting from unitholders' transactions	-	(20,871,820)	-	(20,871,820)
At 31 December 2021	204,129,835	6,087,958	52,871,820	263,089,613
At 1 January 2020	204,129,835	5,033,063	52,475,827	261,638,725
Total comprehensive income				
Profit for the financial year	-	18,793,388	2,164,815	20,958,203
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income, representing the increase in net assets resulting from operations	-	18,793,388	2,164,815	20,958,203
Unitholders' transactions				
Distributions to unitholders:				
- 2020 interim	-	(12,277,539)	-	(12,277,539)
- 2019 final	-	(4,563,153)	-	(4,563,153)
Decrease in net assets resulting from unitholders' transactions	-	(16,840,692)	-	(16,840,692)
At 31 December 2020	204,129,835	6,985,759	54,640,642	265,756,236

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2021

	Note	2021 RM	2020 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		18,286,041	21,111,032
Adjustments for:			
Changes in fair value of investment properties	4	5,189,083	399,642
Finance costs	17	8,460,398	7,122,889
Interest income		(556,553)	(766,047)
Reversal of impairment losses on trade receivables		(750,000)	-
Trade payables written off		(22,339)	-
Operating income before changes in working capital		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)
Cash generated from operations, representing net cash from operating activities		24,897,390	26,611,864
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of an investment property	4(d)	(6,335,604)	(10,371,707)
Enhancement of investment properties	4	(852,374)	(104,688)
Interest received		528,608	737,133
Net cash used in investing activities		(6,659,370)	(9,739,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid to unitholders			
- Current year		(14,733,050)	(12,277,539)
- Previous year		(6,138,770)	(4,563,153)
Interest paid		(8,313,130)	(6,976,045)
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 beginning of financial year		31,246,957	38,191,092
Cash and cash equivalents at end of financial year		20,300,027	31,246,957

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021
(cont'd)

	Note	2021 RM	2020 RM
CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the statement of cash flows comprise the following amounts in the statement of financial position:			
- Deposits with licensed banks (not more than three months)	6	22,745,492	30,385,550
- Bank balances	6	1,769,567	861,407
- Bank overdraft	8	(4,215,032)	-
		20,300,027	31,246,957

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2021

1. GENERAL INFORMATION

Atrium Real Estate Investment Trust (“Atrium REIT”) is a Malaysia-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 20 November 2006 and the Supplementary Trust Deed dated 25 November 2008 and the Restated Deed dated 24 March 2016 between CIMB Commerce Trustee Berhad as the Trustee and Atrium REIT Managers Sdn. Bhd. as the Manager. Atrium REIT is listed on the Main Market of Bursa Malaysia Securities Berhad.

On 21 April 2016, the Manager, CIMB Commerce Trustee Berhad and Pacific Trustees Berhad entered into a Supplementary Deed to effect the change of trustee of Atrium REIT from CIMB Commerce Trustee Berhad to Pacific Trustees Berhad (“the Trustee”). The change of trustee was effected on 6 May 2016 upon the registration and lodgement of the Supplementary Deed with the Securities Commission on 6 May 2016 and 11 May 2016 respectively.

On 17 December 2019, the Atrium REIT and the Trustee signed their Second Restated Deed which will replace all of the provisions in the previous deed. The Second Restated Deed was effected on 6 March 2020 upon the registration and lodgement with the Securities Commission on 6 March 2020 and 10 March 2020 respectively.

The principal place of business of Atrium REIT is located at 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur.

The principal activity of Atrium REIT is investment in real estate and real estate-related assets used whether directly or indirectly through the ownership of single-purpose companies which wholly own real estate. There has been no significant change in the nature of the principal activity during the financial year.

The financial statements as at and for the financial year ended 31 December 2021 comprise Atrium REIT and its wholly-owned special purpose company, Atrium REIT Capital Sdn. Bhd., company incorporated in Malaysia, of which the principal activity is to raise financing for and on behalf of Atrium REIT.

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution by the Board of Directors of the Manager on 22 February 2022.

2. TERM OF THE TRUST

Atrium REIT will continue its operations until such time as determined by the Trustee and the Manager as provided under the provisions of Clause 19 of the Second Restated Deed dated 17 December 2019.

3. BASIS OF PREPARATION

The financial statements of Atrium REIT have been prepared in accordance with the provisions of the Deed, the Securities Commission’s Guidelines on Real Estate Investment Trusts in Malaysia, Malaysian Financial Reporting Standards (“MFRSs”) and International Financial Reporting Standards (“IFRSs”).

The financial statements of Atrium REIT have been prepared under the historical cost convention, except as otherwise stated in the financial statements.

The financial statements are presented in Ringgit Malaysia (“RM”), which is also the functional currency of Atrium REIT.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

3. BASIS OF PREPARATION (CONT'D)

Atrium REIT reported net current liabilities of RM15,450,608 as at 31 December 2021. The Directors of the Manager are of the view that the going concern basis remains appropriate in the preparation of the financial statements of Atrium REIT as included in current liabilities is an amount of RM39,600,000 borrowings as at 31 December 2021 relating to short term revolving credit that are secured by investment properties disclosed in Note 4 to the financial statements. The short term revolving credit was subsequently renewed by the lender on 21 February 2022 for another year maturing on 20 February 2023.

The accounting policies adopted are consistent with those of the previous financial year except for the effects of adoption of new MFRSs during the financial year. The new MFRSs and Amendments to MFRSs adopted during the financial year are disclosed in Note 28.1 to the financial statements.

4. INVESTMENT PROPERTIES

	2021 RM	2020 RM
At valuation		
As at 1 January	460,376,753	410,300,000
Additions from acquisition	46,835,604	50,371,707
Enhancement of investment properties	852,374	104,688
Changes in fair value:		
- As per valuation reports	1,635,269	2,923,605
- Accrued lease income receivable	(6,824,352)	(3,323,247)
	(5,189,083)	(399,642)
As at 31 December	502,875,648	460,376,753

- (a) Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by Atrium REIT. Investment properties are initially measured at cost, which includes transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market conditions at reporting date. Fair value is arrived at and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued. Gains or losses arising from changes in fair value of investment properties are included in profit or loss in the year which they arise.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

4. INVESTMENT PROPERTIES (CONT'D)

- (b) The carrying value of the investment properties is based on market value determined based on valuations, adjusted with accrued lease income as required by MFRS 140 *Investment Properties* as follows:

	Note	2021 RM	2020 RM
Investment properties – fair value			
Freehold land and buildings		291,900,000	291,200,000
Leasehold land		142,402,089	98,013,081
Leasehold building		75,397,911	74,486,919
		509,700,000	463,700,000
Investment properties – accrued lease income	5	(6,824,352)	(3,323,247)
		502,875,648	460,376,753

- (c) Investment properties with an aggregate carrying amount of RM456,300,000 (2020: RM410,300,000) are charged to a financial institution for banking facilities granted to Atrium REIT as disclosed in Note 8 to the financial statements.
- (d) During the financial year, Atrium REIT made the following cash payments to acquire an investment property, Atrium Shah Alam 4 (2020: Atrium Bayan Lepas 1):

	2021 RM	2020 RM
Purchase of investment property	46,835,604	50,371,707
Financed by bank borrowings	(36,000,000)	(35,000,000)
Earnest deposit paid in previous years	(4,500,000)	(5,000,000)
Cash payment for acquisition of investment property	6,335,604	10,371,707

- (e) Fair value Information

Fair value of investment properties is determined in accordance with the Second Restated Deed dated 17 December 2019 and the Securities Commission's Guidelines on Real Estate Investment Trusts which require the investment properties to be valued by independent qualified valuers. In determining the fair value, the valuers used valuation techniques which involve certain estimates.

The fair values of investment properties of Atrium REIT are categorised as Level 3. Level 3 fair values of land and buildings were determined by external and independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The property valuers provide the fair value of the investment properties portfolios of Atrium REIT annually. Changes in Level 3 fair value are assessed by the Manager annually after obtaining the valuation reports from the independent valuers.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

4. INVESTMENT PROPERTIES (CONT'D)

(e) Fair value information (cont'd)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of Level 3 financial instruments as well as the relationship between significant unobservable inputs and fair value, is detailed in the table below:

Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Investment method involves capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoing and other operating expenses incidental to the property with allowance for void by using an appropriate market derived discount rate.	<ul style="list-style-type: none"> - Allowance for void of 10% (2020: 10%) - Term yield rate of 6.25% to 8.25% (2020: 6.25 to 8.25%) - Reversionary yield rate of 6.50% to 8.00% (2020: 4.00% to 8.00%) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> - Allowance for void was lower/(higher) - Term yield rate was higher/(lower) - Reversionary yield rate was higher/(lower)
Comparison method involves determining the market value by directly comparing the property under valuation with similar properties which have been sold, finding its value from these transactions. Adjustments are then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	<ul style="list-style-type: none"> - Differences in location, size, tenure and condition of -2% to 1% (2020: Nil) 	<p>The estimated fair value would increase/(decrease) if:</p> <ul style="list-style-type: none"> - Differential rate in location, size, tenure and condition was lower/(higher)

Direct operating expenses arising from investment properties generating rental income during the financial year are as disclosed in Note 14 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

4. INVESTMENT PROPERTIES (CONT'D)

(e) Fair value information (cont'd)

Description of properties	Tenure of land	Location	Occupancy rate as at 31.12.2021 %	Date of valuation	Cost of investment as at 31.12.2021 RM	Carrying value as at 31.12.2021 RM	Fair value as at 31.12.2021 RM	Percentage of fair value over net asset value as at 31.12.2021 %
Industrial building								
Atrium Shah Alam 1*	Freehold	Shah Alam	100	02.11.2021	60,003,432	91,544,120	91,800,000 [^]	34.9
Atrium Shah Alam 2*	Freehold	Shah Alam	100	02.11.2021	64,490,721	78,900,000	78,900,000 [^]	30.0
Atrium Shah Alam 3*	Freehold	Shah Alam	100	02.11.2021	31,516,603	29,600,000	29,600,000 [^]	11.3
Atrium Shah Alam 4*	Leasehold	Shah Alam	-	02.11.2021	46,835,604	45,300,000	45,300,000 [@]	17.2
Atrium Puchong	Freehold	Puchong	100	02.11.2021	39,043,905	53,400,000	53,400,000 [^]	20.3
Atrium USJ*	Freehold	Subang	100	02.11.2021	25,000,000	38,200,000	38,200,000 [^]	14.5
Atrium Bayan Lepas 2*	Leasehold ^{\$}	Bayan Lepas	100	07.12.2021	132,440,048	116,211,348	121,500,000 [#]	46.2
Atrium Bayan Lepas 1*	Leasehold ^{\$}	Bayan Lepas	100	06.12.2021	50,371,707	49,720,180	51,000,000 [#]	19.4
					449,702,020	502,875,648	509,700,000	

* The properties are charged to financial institutions for banking facilities granted to Atrium REIT.

[^] Based on valuation carried out by an independent professional valuer, First Pacific Valuers Property Consultants Sdn. Bhd., using investment method of valuation.

[@] Based on valuation carried out by an independent professional valuer, First Pacific Valuers Property Consultants Sdn. Bhd., using comparison method of valuation.

[#] Based on valuation carried out by an independent professional valuer, IVPS Real Estate Sdn. Bhd., using investment method of valuation.

^{\$} As at 31 December 2021, the remaining lease terms for Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2 are 20 years and 14 years respectively. The Manager is in process of applying for extension of these lease terms for Atrium Bayan Lepas 1 subject to the consent of State Authority. On 5 July 2021, Penang Development Council ("PDC") had granted an additional 10 years of lease term for Atrium Bayan Lepas 2, subject to the consent of State Authority. The consent is still pending as at the date of authorisation of the financial statements. The application for Atrium Bayan Lepas 1 is still on going.

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

4. INVESTMENT PROPERTIES (CONT'D)

(e) Fair value information (cont'd)												
Description of properties	Tenure of land	Location	Occupancy rate as at 31.12.2020 %	Date of valuation	Cost of investment as at 31.12.2020 RM	Carrying value as at 31.12.2020 RM	Fair value as at 31.12.2020 RM	Percentage of fair value over net asset value as at 31.12.2020 %				
Industrial building												
Atrium Shah Alam 1*	Freehold	Shah Alam	100	26.11.2020	60,003,432	91,300,000	91,300,000 [^]	34.4				
Atrium Shah Alam 2*	Freehold	Shah Alam	100	26.11.2020	64,490,721	78,700,000	78,700,000 [^]	29.6				
Atrium Shah Alam 3*	Freehold	Shah Alam	100	23.11.2020	31,516,603	29,600,000	29,600,000 [^]	11.1				
Atrium Puchong	Freehold	Puchong	100	27.11.2020	39,043,905	53,400,000	53,400,000 [^]	20.1				
Atrium USJ*	Freehold	Subang	100	25.11.2020	25,000,000	38,200,000	38,200,000 [^]	14.4				
Atrium Bayan Lepas 2*	Leasehold ^{\$}	Bayan Lepas	100	15.12.2020	131,240,048	118,389,496	121,500,000 [#]	45.7				
Atrium Bayan Lepas 1*	Leasehold ^{\$}	Bayan Lepas	100	15.12.2020	50,371,707	50,787,257	51,000,000 [#]	19.2				
					401,666,416	460,376,753	463,700,000					

* The properties are charged to financial institutions for banking facilities granted to Atrium REIT.

[^] Based on valuation carried out by an independent professional valuer, First Pacific Valuers Property Consultants Sdn. Bhd., using investment method of valuation.

[#] Based on valuation carried out by an independent professional valuer, IVPS Real Estate Sdn. Bhd., using investment method of valuation.

^{\$} As at 31 December 2020, the remaining lease terms for Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2 are 21 years and 15 years respectively. The Manager is in process of applying for extension of the lease term subject to the consent of State Authority.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

5. TRADE AND OTHER RECEIVABLES

	Note	2021 RM	2020 RM
Non-current			
Accrued lease income	4	6,824,352	3,323,247
Current			
Trade receivables			
Third parties		8,950	2,850,136
Less: Impairment losses		-	(1,390,344)
Total trade receivables		8,950	1,459,792
Other receivables			
Other receivables		1,336,867	464,116
Prepayments		3,301,864	2,250,027
Deposits		1,680,132	5,456,572
		6,318,863	8,170,715
		6,327,813	9,630,507
Total trade and other receivables		13,152,165	12,953,754
Less: Prepayments		(3,301,864)	(2,250,027)
Total receivables		9,850,301	10,703,727

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by Atrium REIT is 30 days (2020: 30 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) In the previous financial year, included in deposits are earnest deposits paid for the acquisitions of an investment property which amounted to RM4,500,000.

During the year, Atrium REIT completed the acquisition of Atrium Bayan Lepas 4 as disclosed in Note 4(d) of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

5. TRADE AND OTHER RECEIVABLES (CONT'D)

(d) The ageing analysis of Atrium REIT's gross trade receivables (before deducting allowance for impairment losses) is as follows:

2021	Gross carrying amount RM	Total allowance RM	Net carrying amount RM
Current	-	-	-
Past due:			
1 to 30 days	-	-	-
31 to 60 days	-	-	-
61 to 90 days	214	*	214
More than 90 days	8,736	*	8,736
	8,950	*	8,950
	8,950	*	8,950
2020			
Current	615,312	*	615,312
Past due:			
1 to 30 days	-	-	-
31 to 60 days	-	-	-
61 to 90 days	-	-	-
More than 90 days	-	-	-
	-	-	-
	615,312	*	615,312
Credit impaired:			
Individually impaired	2,234,824	(1,390,344)	844,480
	2,850,136	(1,390,344)	1,459,792

* *Negligible*

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

5. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Credit risk

(i) Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with Atrium REIT. Atrium REIT's trade receivables credit term is 30 days.

None of Atrium REIT's receivables that are neither past due nor impaired have been renegotiated during the current and previous financial years.

Atrium REIT have no significant concentration of credit risk that may arise from exposure to a single clearing participant or counterparty.

(ii) Receivables that are impaired

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised within trust expenses in the statement of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment. Estimated cash flows recoverable in worst-case scenarios are based on the fair value of the collateral.

It requires management to exercise its judgement in determining the probability of default by trade receivables, appropriate forward looking information, and estimated cash flows recoverable in worst-case scenarios.

The movement of the allowance for impairment losses on trade receivables is as follows:

2021	Lifetime ECL allowance RM	Credit impaired RM	Total RM
At 1 January	–	1,390,344	1,390,344
Reversal of impairment losses	–	(750,000)	(750,000)
Written off	–	(640,344)	(640,344)
At 31 December	–	–	–
2020			
At 1 January/31 December	–	1,390,344	1,390,344

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

5. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Credit risk (cont'd)

(ii) Receivables that are impaired (cont'd)

Lifetime ECL is negligible as the management is in view that the losses, if any can be offset against the rental deposits received from tenants as disclosed in Note 5(g) to the financial statements.

Receivables that are individually determined to be impaired at the financial year end relate to trade receivables who are in significant financial difficulties and have defaulted on payments. The nominal amounts of receivables that specific allowances for impairment loss are provided for are as follows:

	2021 RM	2020 RM
At nominal amounts	–	2,234,824
Less: Allowance for impairment loss	–	(1,390,344)
	–	844,480
Less: Collateral obtained	–	(844,480)
As 31 December	–	–

Trade receivables are secured by collateral as disclosed in Note 5(g) to the financial statements.

(f) Trade and other receivables are denominated in RM.

(g) As at the end reporting period, the credit risks exposures and concentration relating to trade receivables of Atrium REIT are summarised in the table below:

	2021 RM	2020 RM
Maximum exposure, net of impairment	8,950	1,459,792
Collateral obtained	326,390	3,617,155
Net exposure to credit risk	–	–

The above collaterals are rental deposits received from tenants.

During the financial year, Atrium REIT did not renegotiate the terms of any trade receivables.

(h) No expected credit loss is recognised arising from other receivables as it is negligible.

(i) Accrued lease income recognised pursuant to requirements of MFRS 16 Leases, recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

6. BANK BALANCES AND DEPOSITS WITH A LICENSED BANK

	2021 RM	2020 RM
Bank balances	1,769,567	861,407
Deposits with a licensed bank (not more than three months)	22,745,492	30,385,550
	24,515,059	31,246,957

- (a) Deposits with a licensed bank of Atrium REIT have an average maturity period of 32 days (2020: 32 days).
- (b) The deposits are placed with a licensed bank at weighted average interest rate of 1.85% (2020: 2.63%) per annum.
- (c) The Directors of the Manager monitors and maintains a level of cash and cash equivalents and bank facilities deemed adequate to finance Atrium REIT's operations and to mitigate the effects of fluctuations in cash flows. In addition, the Manager also monitors and observes the Securities Commission Guidelines on Real Estate Investment Trusts concerning limits on total borrowings.
- (d) The bank balances and deposits with a licensed bank are denominated RM.
- (e) In respect of interest-earning financial assets, the following table sets out the carrying amounts and the remaining maturities of Atrium REIT's financial instrument that is exposed to interest rate risk:

	Within one year RM	One to five years RM	Total RM
2021			
Fixed rate			
Deposits with a licensed bank	22,745,492	–	22,745,492
2020			
Fixed rate			
Deposits with a licensed bank	30,385,550	–	30,385,550

No sensitivity analysis is presented as the Directors of the Managers are of view that given the interest earnings financial assets are fixed rate and these financial assets are measured at amortised cost, volatility of interest rate risk will have minimal impact to Atrium REIT.

- (f) No expected credit losses were recognised arising from the deposits with financial institutions because the probability of default by these financial institutions were negligible.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

7. TRADE AND OTHER PAYABLES

	2021 RM	2020 RM
Non-current liabilities		
Tenants' deposits	12,454,863	9,225,474
Current liabilities		
Trade payables	255,441	386,618
Other payables and accrued expenses	1,083,439	995,143
Tenants' deposits	1,139,568	5,989,921
	2,478,448	7,371,682
	14,933,311	16,597,156

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to Atrium REIT is 30 days (2020: 30 days).
- (c) Included in other payables and accrued expenses is an amount owing to the Manager of RM228,971 (2020: RM180,340) which is unsecured, interest-free and payable monthly in arrears.
- (d) Trade and other payables are denominated in RM.
- (e) The table below summarises the maturity profile of Atrium REIT's trade and other payables at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2021				
Financial liabilities				
Trade and other payables	1,338,880	-	-	1,338,880
Tenants' deposits	1,139,568	3,427,253	9,027,610	13,594,431
2020				
Financial liabilities				
Trade and other payables	1,381,761	-	-	1,381,761
Tenants' deposits	5,989,921	2,847,619	6,377,855	15,215,395

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

8. BORROWINGS

	2021 RM	2020 RM
Short Term Financing		
Short Term Revolving Credit ("STRC")	39,600,000	39,600,000
Bank Overdraft	4,215,032	-
	43,815,032	39,600,000
Long Term Financing		
Term Loan II	10,765,288	10,765,288
Term Loan III	18,400,000	18,400,000
Term Loan IV	4,065,842	4,065,842
Maybank Term Loan	20,000,000	20,000,000
Medium Term Note ("MTN") - Tranche 1	35,000,000	35,000,000
Medium Term Note ("MTN") - Tranche 2	87,000,000	87,000,000
Medium Term Note ("MTN") - Tranche 3	36,000,000	-
	211,231,130	175,231,130
	255,046,162	214,831,130

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The STRC facility is secured by a first party legal charge over an investment property, Atrium Shah Alam 1 as disclosed in Note 4 to the financial statements. This financing facility is renewable on a yearly basis and subject to the bank's review.

The STRC facility bears interest at 2.91% (2020: 2.90% to 4.28%) per annum during the financial year.

- (c) The bank overdraft facility is secured by a first party legal charge over an investment property, Atrium USJ as disclosed in Note 4 to the financial statements. This financing facility is subject to the bank's review.

The bank overdraft facility bears interest at 5.47% per annum.

- (d) The term loan II bears interest rate at cost of funds plus 0.725% (2020: 0.725%) per annum and is repayable in one lump sum in 2027.

The term loan II is secured by a first party legal charge over an investment property, Shah Alam 2, as disclosed in Note 4 to the financial statements.

The term loan III bears interest rate at cost of funds plus 0.725% (2020: 0.725%) per annum and is repayable in one lump sum in 2027.

The term loan III is secured by a first party legal charge over an investment property, Atrium Shah Alam 3, as disclosed in Note 4 to the financial statements.

The term loan IV bears interest rate at cost of funds plus 0.725% (2020: 0.725%) per annum and is repayable in one lump sum in 2027.

The term loan IV is secured by a first party legal charge over an investment property, Atrium Shah Alam 3, as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

8. BORROWINGS (CONT'D)

(d) (cont'd)

The Maybank term loan bears interest rate at cost of funds plus 0.80% (2020: 0.80%) per annum and is repayable in one lump sum in 2024.

The Maybank term loan is secured by a first and second party legal charge over investment properties, Atrium USJ and Atrium Shah Alam 1, as disclosed in Note 4 to the financial statements.

(e) In the previous financial years, the Manager announced on the Main Market of Bursa Securities that AREIT Capital, a special purpose vehicle wholly-owned by Atrium REIT via Pacific Trustees Berhad (acting in its capacity as trustee for Atrium REIT), had lodged a MTN Programme with the Securities Commission pursuant to the Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework issued by the Securities Commission. The MTN Programme has a tenure of ten (10) years from the date of issuance of MTN under the MTN Programme.

On 7 October 2019, AREIT Capital issued the first tranche MTN ("MTN - Tranche 2") amounting to RM87.0 million which was advanced to Atrium REIT to part finance their purchase of Property 2 in Penang. The MTN - Tranche 2 has a tenure of 10 years ("Legal Maturity") effective from 7 October 2019. The MTN - Tranche 2 bears interest rate at cost of funds plus 0.80% per annum and is repayable in one lump sum in 2029.

On 22 October 2020, AREIT Capital issued the second tranche MTN ("MTN - Tranche 1") amounting to RM35.0 million which was advanced to Atrium REIT to part finance their purchase of Property 1 in Penang. The MTN - Tranche 1 has a tenure of 10 years ("Legal Maturity") effective from 22 October 2020. The MTN - Tranche 1 bears interest rate at cost of funds plus 0.80% per annum and is repayable in one lump sum in 2030.

On 22 March 2021, AREIT Capital issued the third tranche MTN ("MTN - Tranche 3") amounting to RM36.0 million which was advanced to Atrium REIT to part finance their purchase of Atrium Shah Alam 4. The MTN - Tranche 3 has a tenure of 7 years ("Legal Maturity") effective from 22 March 2021. The MTN - Tranche 3 bears interest rate at cost of funds plus 0.80% per annum and is repayable in one lump sum in 2028.

The MTN - Tranche 2, MTN - Tranche 1 and MTN - Tranche 3 are secured against, among others, the following:

- (i) Third party (1st) legal charge under the provisions of the National Land Code 1965 over the sub-lease (expiring on 10 February 2041) ("Property 2") registered in the name of Pacific Trustees Berhad for Atrium REIT ("Chargor") and granted by Penang Development Corporation ("Lessor") over the land held under issue document of title Pajakan Negeri 9036, Lot 70812, Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang together with a 2 storey detached factory and annexed 2 storey office erected thereon and bearing assessment address Plot 401, Lintang Bayan Lepas, Penang and registered in the name of Penang State Government.
- (ii) Third party (1st) legal charge under the provisions of the National Land Code 1965 over two pieces of leasehold land held under issue documents of title Pajakan Negeri 2850, Lot No.2027 (expiring on 7 March 2036) and H.S.(D) 14852, Plot No. 203 (expiring on 3 March 2042). Both situated in Mukim 12, Daerah Barat Daya, Negeri Pulau Pinang together with a single storey detached factory and 2 storey office erected thereon and bearing assessment address 150F, Blok A, Jalan Kampung Jawa, Taman Perindustrian Bayan Lepas, 11900 Bayan Lepas, Penang ("Property 1") registered in the name of Pacific Trustee Berhad for Atrium REIT ("Chargor").

NOTES TO THE FINANCIAL STATEMENTS
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(cont'd)

8. BORROWINGS (CONT'D)

(e) The MTN - Tranche 2, MTN - Tranche 1 and MTN - Tranche 3 are secured against, among others, the following (cont'd):

- (iii) Third party (1st) legal charge under the provisions of the National Land Code 1965 over two pieces of leasehold land held under issue documents of title H.S.(D) 172494, PT-, Bandar Shah Alam (expiring on 5 September 2073) and H.S.(D) 167421, PT-, Mukim Damansara (expiring on 7 November 2067). Both situated in Daerah Petaling, Negeri Selangor together with a single storey detached factory and a single story office cum canteen, a TNB substation and a guard house erected thereon and bearing postal address Lot 7, Persiaran Raja Muda, Seksyen 16, 40200 Shah Alam, Selangor Darul Ehsan ("Property 3") registered / to be registered in the name of REIT Trustee for Atrium REIT ("Chargor").
- (iv) A third (3rd) party Deed of Assignment to be executed by the Chargor in favour of the Public Investment Bank Berhad ("PIVB") assigning all of its rights and title, interests and benefits under the sale and purchase agreement and the sale and purchase agreement in respect of the Property 2. The form and substance of the sale and purchase agreement and the lease agreement must be acceptable to the Public Bank Berhad ("Bank") and PIVB.
- (v) An irrevocable Power of Attorney from the Chargor to enable PIVB to deal with Property 2 and whereas necessary, including the power to sign and register as Attorney and to apply for the consent of the relevant State Authorities to charge the Property 2 in the favour of PIVB.
- (vi) Third party legal assignment of lease/tenancy agreement entered between the Chargor and the tenant and/or any other future tenant(s) as maybe agreed by the Bank in respect of the Property 2 and Property 1.
- (vii) A third (3rd) party legal Assignment and Charge to be executed by the Chargor in favour of PIVB charging by way of a first fixed charge the rental proceeds account and all monies standing to the credit of the rental proceeds account and assigning all the rights and title, interests and benefits to the rental proceeds account as well as to monies standing to the credit of the rental proceeds account.

The Chargor shall credit and/or cause to credit into the rental proceeds account all rental proceeds and deposit monies derived from the Property 2, Property 1 and Property 3.

The rental proceeds account(s) is/are to be opened by the Chargor with the Bank and operated by the Chargor in the case where no event of default has occurred and is subsisting or by the Security Agent in the case where event of default has occurred and is subsisting.

- (viii) Third party legal assignment of the rights, interest, titles and benefits in all relevant insurance policies/takaful contracts in respect of Property 2, Property 1 and Property 3.
- (ix) Letter of Undertaking from each of Chargor and REIT Manager:
 - In respect of Property 2, to obtain approval for sub-lease extension within (12) months from the Completion of the acquisition of Property 2 in accordance with Securities Commissions Malaysia's approval/waiver of compliance with Section 8.10 (d) of the Guidelines on Listed Real Estate Investment Trust; and
 - In respect of Property 1, to apply for lease extension of not less than ten (10) years with relevant authorities within five (5) years from the date of first issuance of Tranche 1 and to obtain approval for the said lease extension within one (1) year from the date of submission of application.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

8. BORROWINGS (CONT'D)

- (e) The MTN - Tranche 2, MTN - Tranche 1 and MTN - Tranche 3 are secured against, among others, the following (cont'd):
- (x) First party legal assignment by the Issuer over the Financing agreement entered/to be entered between the Issuer and Chargor in relation to the advances to be made by the Issuer to Atrium REIT, which advances are funded by the proceeds arising from the issuance of Tranche 2, Tranche 1 and Tranche 3.
- (f) At the end of the reporting period, RM39.6 million (2020: RM39.6 million) of the STRC would be maturing in the next twelve months based on the carrying amount reflected in the financial statements. The STRC was subsequently renewed by the lender on 21 February 2022 for another year maturing on 20 February 2023.
- (g) All borrowings are denominated in RM.
- (h) The table below summarises the maturity profile of the borrowings of Atrium REIT at the end of each reporting period based on contractual undiscounted repayment obligations:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2021				
Financial liabilities				
Bank overdraft	4,445,594	-	-	4,445,594
Term loans	1,768,740	58,923,721	-	60,692,461
Medium Term Note	5,656,400	22,625,600	173,238,867	201,520,867
Short Term Revolving Credit	40,752,360	-	-	40,752,360
	52,623,094	81,549,321	173,238,867	307,411,282
2020				
Financial liabilities				
Term loans	2,248,863	37,442,913	22,685,751	62,377,527
Medium Term Note	5,333,300	26,666,500	138,364,017	170,363,817
Short Term Revolving Credit	40,986,000	-	-	40,986,000
	48,568,163	64,109,413	161,049,768	273,727,344

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

8. BORROWINGS (CONT'D)

- (i) The following table sets out the carrying amounts as at the end of each reporting period and the remaining maturities of the borrowings of Atrium REIT that are exposed to interest rate risk:

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2021				
Floating rates				
Bank overdraft	4,215,032	–	–	4,215,032
Term loans	–	53,231,130	–	53,231,130
Medium Term Note	–	–	158,000,000	158,000,000
Short Term Revolving Credit	39,600,000	–	–	39,600,000
	43,815,032	53,231,130	158,000,000	255,046,162
2020				
Floating rates				
Term loans	–	30,765,288	22,465,842	53,231,130
Medium Term Note	–	–	122,000,000	122,000,000
Short Term Revolving Credit	39,600,000	–	–	39,600,000
	39,600,000	30,765,288	144,465,842	214,831,130

- (j) Interest rate risk

Sensitivity analysis for interest rate risk

As at 31 December 2021, if interest rates at the date had been 10 basis points lower or higher with all other variables held constant, post-tax net income for the financial year would have been RM193,835 (2020: RM163,272) higher or lower, arising mainly as a result of lower or higher interest expense on variable borrowings and interest income from deposits. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

9. DEFERRED TAX LIABILITY

	Note	2021 RM	2020 RM
Balance as at 1 January		7,392,942	7,240,113
Recognised in profit and loss	18	80,844	152,829
Balance as at 31 December		7,473,786	7,392,942

The deferred tax liability relates to fair value gain of freehold land and buildings component within the investment properties which is expected to be recovered through sale.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

9. DEFERRED TAX LIABILITY (CONT'D)

Where investment properties are carried at fair value as disclosed in Note 4 to the financial statements, the amount of deferred tax recognised is measured using the tax rates that would apply on the sale of those assets at their carrying values at the reporting date unless the property is held with the objective to consume substantially all the economic benefits embodied in the property over time, rather than through sale.

10. UNITHOLDERS' CAPITAL

	2021		2020	
	Number of units	RM	Number of units	RM
Issued and fully paid-up				
Balance as at 1 January / 31 December	204,625,680	204,129,835	204,625,680	204,129,835

11. UNITHOLDINGS OF DIRECTORS AND RELATED PARTIES

(a) As at the end of each reporting period, the Manager, Directors of the Manager and related parties who held units in Atrium REIT are as follows:

2021	Number of unit held	Percentage of total units %	Market value RM
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	1,321,100	0.65	1,981,650
Directors of the Manager:			
Wong Sui Ee	522,000	0.26	783,000
Tor Peng Sie	140,000	0.07	210,000
How Hu Son	100,000	0.05	150,000
Soong Kwong Heng	77,000	0.04	115,500
Chan Wan Seong	500,000	0.24	750,000
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	14,411,120	7.04	21,616,680
Sparkle Skyline Sdn. Bhd.	5,962,460	2.91	8,943,690
Chan Kam Tuck (i)	43,542,360	21.28	65,313,540
Chan Kum Chong	70,000	0.03	105,000

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

11. UNITHOLDINGS OF DIRECTORS AND RELATED PARTIES

- (a) As at the end of each reporting period, the Manager, Directors of the Manager and related parties who held units in Atrium REIT are as follows (cont'd):

2020	Number of unit held	Percentage of total units %	Market value RM
Atrium REIT Manager Sdn. Bhd.	1,321,100	0.65	1,519,265
Directors of the Manager:			
Wong Sui Ee	522,200	0.26	600,530
Tor Peng Sie	140,000	0.07	161,000
How Hu Son	100,000	0.05	115,000
Soong Kwong Heng	77,000	0.04	88,550
Chan Wan Seong	500,000	0.24	575,000
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	14,391,120	7.03	16,549,788
Sparkle Skyline Sdn. Bhd.	5,962,460	2.91	6,856,829
Chan Kam Tuck (i)	43,542,360	21.28	50,073,714
Chan Kum Chong	70,000	0.03	80,500

- (i) Unitholdings under Chan Kam Tuck is made up of his individual holding of 36,542,360 (2020: 36,542,360) units and his holding of 7,000,000 (2020: 7,000,000) units under a trust where he is a beneficiary.

- (b) The market value is determined by using the closing market price of Atrium REIT as at 31 December 2021 of RM1.50 (2020: RM1.15).

12. INVESTMENT IN A SUBSIDIARY

- (a) Investment in a subsidiary, which is eliminated on consolidation, is stated at cost less impairment losses, if any.
- (b) The details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of company	Effective interest in equity		Principal activities
	2021	2020	
Atrium REIT Capital Sdn. Bhd. ("AREIT Capital")	100%	100%	To carry out the function of a special purpose vehicle to obtain and/or procure financing for and on behalf of Atrium Real Estate Investment Trust, a real estate investment trust listed on the Main Market of Bursa Malaysia Securities Berhad.

The equity of the subsidiary, representing 1 share issued of RM1.00 is held by Pacific Trustee Berhad. The key personnel of AREIT Capital is the same as Atrium REIT. All the administration and operating expenses are borne by Atrium REIT.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

13. GROSS REVENUE

Gross rental revenue represents rental income received from the rental of investment properties. Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregate cost of incentives provided to the lessee is recognised as reduction of rental income over the lease term on a straight line basis.

14. PROPERTY OPERATING EXPENSES

	2021 RM	2020 RM
Property management fees	475,571	442,061
Assessment and quit rent	737,179	543,844
Repair and maintenance	1,011,700	662,160
Insurance	335,330	308,790
Other operating expenses	83,373	210,269
	2,643,153	2,167,124

Property management fees are recognised on an accrual basis.

15. MANAGER'S FEES

- (a) The Manager's fees are recognised on an accrual basis using the applicable formula.
- (b) Pursuant to the Deed, the Manager is entitled to receive a fee of up to a maximum of 1.0% per annum of the Net Asset Value of Atrium REIT. The Manager's fee is payable in arrears, calculated and accrued daily. During the financial year, the Manager has revised its fees at the rate of 0.8% to 1.0% (2020: 0.8%) per annum of the Net Asset Value.

16. TRUSTEE'S FEES

- (a) The Trustee's fees are recognised on an accrual basis using the applicable formula.
- (b) Pursuant to the Deed, the Trustee is entitled to receive a fee of up to a maximum of 0.4% per annum of the Net Asset Value of Atrium REIT, subject to a minimum fee of RM40,000 per annum. The Trustee's fee is payable in arrears, calculated and accrued daily. However, the Trustee has only been charging its fees at the rate ranging from 0.08% to 0.10% (2020: 0.08%) per annum of the Net Asset Value.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

17. FINANCE COSTS

	2021 RM	2020 RM
Interest expense on:		
- short term revolving credit facility	1,152,918	1,352,144
- term loans	1,771,111	1,993,939
- bank overdraft	161,254	73,271
- medium term note	5,375,115	3,703,535
	8,460,398	7,122,889

18. TAX EXPENSE

	2021 RM	2020 RM
Deferred tax (Note 9):		
Relating to origination of temporary differences	104,762	152,829
Overprovision in prior year	(23,918)	-
	80,844	152,829

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2020: 24%) of the estimated taxable profit for the fiscal year.
- (b) The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of Atrium REIT is as follows:

	2021 RM	2020 RM
Profit before tax	18,286,041	21,111,032
Tax at Malaysian statutory tax rate of 24% (2020: 24%)	4,388,650	5,066,648
Tax effects in respect of:		
Non-deductible expenses	2,212,734	607,208
Effect of income exempted from tax	(6,601,384)	(5,673,856)
Deferred real property gains tax on investment properties	80,844	152,829
	80,844	152,829

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

18. TAX EXPENSE (CONT'D)

- (b) Pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006, provided that 90% or more of the total income of Atrium REIT is distributed to its unitholders in the basis period for a year of assessment, the total income of Atrium REIT for that year of assessment shall be exempted from tax.

Atrium REIT will not incur any tax expense during the financial year as it will distribute approximately 100% (2020: 98%) of its realised income available for distribution for the financial year ended 31 December 2021 which translates to more than 90% of its total taxable income.

- (c) Taxation of Unitholders

Pursuant to Section 109D(2) of Malaysian Income Tax Act 1967, where 90% or more of Atrium REIT's total taxable income is distributed by Atrium REIT, distributions to unitholders (other than resident corporate investors) will be subject to tax based on a withholding tax mechanism at the following rates:

Unitholders	Tax rate	
	2021	2020
Individuals and all other non-corporate investors such as institutional investors	10%	10%
Non-resident corporate investors	24%	24%

Resident corporate investors are required to report the distributions in their normal corporate tax return and subject to the normal corporate tax rate of 24%.

19. BASIC AND DILUTED EARNINGS PER UNIT

- (a) The earnings per unit before Manager's fee of 10.05 sen (2020: 11.27 sen) is calculated by dividing the profit after tax but before deduction of manager's fees for the financial year of RM 20,559,033 (2020: RM23,065,287) and by the number of units in circulation during the financial year of 204,625,680 (2020: 204,625,680).
- (b) The earnings per unit after Manager's fee of 8.90 sen (2020: 10.24 sen) has been calculated based on profit after tax of RM18,205,197 (2020: RM20,958,203) for the financial year and on the number of units in circulation during the financial year of 204,625,680 (2020: 204,625,680).

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

20. NET INCOME DISTRIBUTIONS

Distributions to unitholders are from the following sources:

	2021 RM	2020 RM
Net rental income	32,911,446	29,520,155
Interest income	556,553	766,047
Other income	772,339	197,734
	34,240,338	30,483,936
Less: Expenses	(14,266,319)	(11,690,548)
Net income before tax	19,974,019	18,793,388
Tax expense	-	-
Net income after tax	19,974,019	18,793,388
Add: Brought forward undistributed income available for distribution	846,989	469,910
Less: Income distributed	(14,733,050)	(12,277,539)
Less: Proposed final income distribution	(5,217,955)	(6,138,770)
Balance undistributed income	870,003	846,989

All distributions of income are from realised distributable income.

21. TRANSACTION WITH BROKER/DEALERS

There was no transaction made with brokers/dealers during the financial year.

22. PORTFOLIO TURNOVER RATIO

	2021	2020
Portfolio Turnover Ratio ("PTR") (times)	0.17	0.19

PTR is the ratio of the average of total acquisitions and total disposals of investments in Atrium REIT for the financial year ended 31 December 2021 to the average net asset value of Atrium REIT for the financial year calculated on a daily basis.

Since the basis of calculating PTR may vary among real estate investment trusts, comparison of PTR of Atrium REIT with other real estate investment trusts may not be an accurate comparison.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

23. MANAGEMENT EXPENSE RATIO

	2021	2020
Management expense ratio ("MER") (%)	2.17	1.73

MER is calculated based on total fees of Atrium REIT incurred, including the Manager's fees, Trustee's fees, audit fees, tax agent's fees, administrative and other expenses, to the average net asset value of Atrium REIT for the financial year calculated on a daily basis.

Since the basis of calculating MER may vary among real estate investment trusts, comparison of MER of Atrium REIT with other real estate investment trusts may not be an accurate comparison.

24. OPERATING SEGMENT

As the principal activity of Atrium REIT is to invest in properties, which all are located in Malaysia with the primary objective to derive rental income, there are no risk and returns distinguishable between business and geographical segments.

The Directors of the Manager assesses the performance of the operating segments based on various factors, including but not limited to, a measure of profit or loss before tax.

The following are major customers with revenue equal or more than ten percent (10%) of Atrium REIT's revenue:

	2021 RM	2020 RM
Customer A	2,618,582*	6,284,598
Customer B	5,136,000	5,136,000
Customer C	15,746,527	14,685,976

* Less than 10%

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

25. COMMITMENTS

(a) Operating lease commitments

Atrium REIT as lessor

Atrium REIT leases out its investment properties under operating leases. The aggregate future minimum lease receivables under non-cancellable lease arrangements as at the end of each reporting period are as follows:

	2021 RM	2020 RM
Not later than one (1) year	35,671,404	30,190,811
Later than one (1) year and not later than five (5) years	109,269,188	128,443,341
Later than five (5) year	171,141,516	140,893,886
	316,082,108	299,528,038

(b) Capital commitments

	2021 RM	2020 RM
Capital expenditure in respect of addition of investment properties:		
- Approved and contracted for	20,960,383	47,282,455

26. FINANCIAL INSTRUMENTS

(a) Capital management

The primary objective of the Directors of the Manager is to ensure that Atrium REIT would be able to continue as a going concern while maximising the returns to unitholders through a balance of issuance of new units and loan financing. The overall strategy of the Manager remains unchanged from that in the previous financial year.

The Manager manages the capital structure of Atrium REIT and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Manager may adjust the income distribution to unitholders or issue new units. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 31 December 2020.

The Directors of the Manager would also comply with the provisions of the Deed and all applicable rules and guidelines prescribed by the Securities Commission relating to the financing of Atrium REIT.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

26. FINANCIAL INSTRUMENTS (CONT'D)

(a) Capital management (cont'd)

The Directors of the Manager monitors capital using a gearing ratio, which is total borrowings divided by total assets of Atrium REIT pursuant to Securities Commission's Guidelines on Real Estate Investment Trusts.

	2021 RM	2020 RM
Total borrowings	255,046,162	214,831,130
Total assets	540,542,872	504,577,464
Gearing ratio	47.18%	42.58%

(b) Methods and assumptions used to estimate fair value

The fair values of financial assets and financial liabilities are determined as follows:

Financial instruments that are not carried at fair values and whose carrying amounts are reasonable approximation of fair values.

The carrying amounts of financial assets and liabilities, such as trade and other receivables, trade and other payables and borrowings are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of each reporting period.

The fair value of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to Atrium REIT for similar financial instruments.

(c) Fair value hierarchy

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Fair value of non-derivative financial liabilities, which are determined for disclosure purposes, are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The borrowings of Atrium REIT are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(a) Material litigation

Marelli Asia Pacific Sdn Bhd (the "Plaintiff") vs Pacific Trustees Berhad (the "Defendant")

On 23 June 2021, Pacific Trustees Berhad, the Trustee of Atrium REIT, was served with a Writ of Summons and Statement of Claim by the Plaintiff through its solicitor. The Plaintiff is a former tenant of Atrium REIT and has seek refund of its deposits held by Atrium REIT upon expiry of the lease agreement between both parties.

On 14 July 2021, the Judgement dated 7 July 2021 was served, whereby Atrium REIT is liable to pay the Plaintiff the following:

- (i) The sum of RM562,493.46;
- (ii) 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
- (iii) 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.

On 11 August 2021, The Trustee of Atrium REIT had filed the application to set aside the Judgement dated 7 July 2021 pursuant to Order 42 Rule 13 of the Rules of Courts 2012.

On 23 August 2021, the Trustee of Atrium REIT had filed an application to stay the execution of the Judgement pending the Setting Aside Application ("the 1st Stay Application") and an application to strike out Plaintiff application to garnish the monies in the Trustee of AREIT's accounts ("the Striking Out Application).

On 27 October 2021, the Sessions Court dismissed the Setting Aside Application with costs of RM1,000.00. Consequently, the Sessions Court dismissed the 1st Setting Aside Application and the Striking Out Application with no order as to cost.

On 1 November 2021, the Trustee of Atrium REIT has filed an appeal to the High Court against the Sessions Court's decision in dismissing the Setting Aside Application ("the Appeal").

On 5 November 2021, the Trustee of Atrium REIT has also filed an application to stay the execution of the Judgment pending the Appeal ("the 2nd Stay Application").

On 6 January 2022, the Sessions Court allowed the 2nd Stay Application on the condition that the Trustee of Atrium REIT deposit the judgment sum with the solicitors of Plaintiff and fixed the matter for further case management on 28 January 2022.

On 17 January 2022, the Defendant has remitted RM562,493.46 into the Plaintiff's solicitors' clients' account following the Sessions Court's conditional stay order.

On 28 January 2022, the Sessions Court has struck out the Garnishee Order against all garnishees. Further to the hearing on 16 February 2022, the KL High Court has adjourned the hearing to 11 March 2022 to deliver its judgement.

As at 31 December 2021, Atrium REIT has not accrued for the damage arising from the Judgement, approximating RM25,000, as it is not material.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR AND SUBSEQUENT TO THE END OF THE REPORTING PERIOD (CONT'D)

(b) 2019 Novel Coronavirus infection ("COVID-19")

The World Health Organisation declared the 2019 Novel Coronavirus infection ("COVID-19") a pandemic on 11 March 2020. The Government of Malaysia imposed the Movement Control Order ("MCO") on 18 March 2020 and has subsequently entered into various phases of the MCO, which has been further extended until the conditions set by the Government of Malaysia for the various phases of the National Recovery Plan are achieved.

Since then, Atrium REIT has experienced certain disruption to its operations especially on uncertainty concerning when government lockdown will be lifted, social distancing requirements will be eased and the long term effect of the pandemic on the demand of industrial building space and Atrium REIT's services.

Nevertheless, the disruption above does not have significant impact to the financial standing of Atrium REIT as Atrium REIT has been observing all standard operating procedures as imposed by the Government of Malaysia during various phases of the MCO.

As at the date of authorisation of the financial statements, the COVID-19 pandemic situation is still evolving and uncertain. Atrium REIT has therefore considered the impact of the COVID-19 pandemic across its business operations and took the necessary precautions and provisions where necessary. Atrium REIT will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic. However, there can be no assurance that the COVID-19 pandemic can be effectively controlled and could persist for a substantial period, and this may materially and adversely affect the business operations and financial performance of the Atrium REIT.

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

28.1 New MFRSs adopted during the financial year

Atrium REIT adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ("MASB") during the financial year:

Title	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to MFRS 16 Leases)	1 April 2021 (early adopt)

Adoption of the above Standards did not have any material effect on the financial performance or position of Atrium REIT.

NOTES TO THE FINANCIAL STATEMENTS
31 December 2021
(cont'd)

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs (CONT'D)

28.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been early adopted by Atrium REIT:

Title	Effective Date
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 <i>Insurance Contracts</i>	1 January 2023
<i>Disclosure of Accounting Policies (Amendments to MFRS 101 Presentation of Financial Statements)</i>	1 January 2023
<i>Definition of Accounting Estimates (Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors)</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

Atrium REIT is in the process of assessing the impact of implementing these Standards and Amendments, since the effects would only be observable for the future financial years.

ANALYSIS OF UNITHOLDINGS

As at 16 February 2022

SIZE OF HOLDINGS AS AT 16 FEBRUARY 2022

	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	35	0.96	1,041	0.00
100 - 1,000	796	21.95	522,899	0.26
1,001 - 10,000	1,702	46.92	8,390,940	4.10
10,001 - 100,000	905	24.95	30,283,980	14.80
100,001 to less than 5% of issued units	187	5.16	123,686,820	60.44
5% and above of issued units	2	0.06	41,740,000	20.40
TOTAL :	3,627	100.00	204,625,680	100.00

THIRTY (30) LARGEST UNITHOLDERS AS AT 16 FEBRUARY 2022

Name	No. of units	%
1) PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHAN KAM TUCK (TCS)	29,000,000	14.17
2) PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR GLORY BLITZ INDUSTRIES SDN BHD (TCS)	12,740,000	6.23
3) CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD (BTR2031)	7,000,000	3.42
4) HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	6,272,280	3.06
5) SPARKLE SKYLINE SDN BHD	5,962,460	2.91
6) SOH KING NENG & SONS SDN BHD	5,156,466	2.52
7) JF APEX NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	5,000,000	2.44
8) CHAN KAM TUCK	4,503,960	2.20
9) SOH KAM ENG	4,079,714	1.99
10) HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	3,780,000	1.85
11) HLIB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR CHAN KAM TUCK	3,038,400	1.48
12) HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED MF)	2,800,000	1.37
13) TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	2,609,300	1.28
14) PARAMJIT SINGH GILL	2,600,000	1.22
15) CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	2,182,020	1.07

ANALYSIS OF UNITHOLDINGS
As at 16 February 2022
(cont'd)

THIRTY (30) LARGEST UNITHOLDERS AS AT 16 FEBRUARY 2022 (CONT'D)

Name	No. of units	%
16) STEPHEN EDWARD BLACKBURN	2,000,000	0.98
17) KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR LIM CHIN SOON	1,730,200	0.84
18) LAW HOCK HUA	1,707,400	0.83
19) LIAN MONG YEE @ LIAN MUNG YEE	1,623,800	0.79
20) GLORY BLITZ INDUSTRIES SDN BHD	1,554,920	0.76
21) CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR CHEUNG SIU WA (PB)	1,400,000	0.68
22) CHRISTINA CHONG YOKE LENG	1,331,000	0.65
23) TEW PENG HWEE @ TEOH PENG HWEE	1,325,000	0.65
24) ATRIUM REIT MANAGERS SDN BHD	1,321,100	0.64
25) JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SEIK YE DOONG (RS2)	1,300,000	0.63
26) HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED OP)	1,260,000	0.62
27) HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED FLF)	1,260,000	0.62
28) CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR KWOK CHIU NAM (PB)	1,250,000	0.61
29) LAW HOCK HUA	1,246,140	0.61
30) SEIK THYE KONG	1,200,000	0.59
	118,134,160	57.71

ANALYSIS OF UNITHOLDINGS
As at 16 February 2022
(cont'd)

LIST OF SUBSTANTIAL UNITHOLDERS (5% AND ABOVE)

Name	Direct Interest	No. of units		%
		%	Deemed Interest	
1. CHAN KAM TUCK	43,542,360	21.28	–	–
2. HONG LEONG ASSURANCE BERHAD	15,372,280	7.51	–	–
3. HLA HOLDINGS SDN BHD ⁽¹⁾	–	–	15,372,280	7.51
4. MITSUI SUMITOMO INSURANCE COMPANY, LIMITED ⁽¹⁾	–	–	15,372,280	7.51
5. HONG LEONG FINANCIAL GROUP BERHAD ⁽²⁾	–	–	15,372,280	7.51
6. GUOCO GROUP LIMITED ⁽³⁾	–	–	15,372,280	7.51
7. GUOLINE OVERSEAS LIMITED ⁽³⁾	–	–	15,372,280	7.51
8. GUOLINE CAPITAL ASSETS LIMITED ⁽³⁾	–	–	15,372,280	7.51
9. HONG LEONG COMPANY (MALAYSIA) BERHAD ⁽³⁾	–	–	15,372,280	7.51
10. TAN SRI QUEK LENG CHAN ⁽⁴⁾	–	–	15,372,280	7.51
11. HL HOLDINGS SDN BHD ⁽⁴⁾	–	–	15,372,280	7.51
12. HONG LEONG INVESTMENT HOLDINGS PTE. LTD. ⁽⁴⁾	–	–	15,372,280	7.51
13. HONG REALTY (PRIVATE) LIMITED ⁽⁴⁾	–	–	15,372,280	7.51
14. KWEK HOLDINGS PTE LTD ⁽⁴⁾	–	–	15,372,280	7.51
15. KWEK LENG BENG ⁽⁴⁾	–	–	15,372,280	7.51
16. DAVOS INVESTMENT HOLDINGS PRIVATE LIMITED ⁽⁴⁾	–	–	15,372,280	7.51
17. KWEK LENG KEE ⁽⁴⁾	–	–	15,372,280	7.51
18. GLORY BLITZ INDUSTRIES SDN BHD	14,411,120	7.04	–	–

⁽¹⁾ Deemed interest by virtue of their interest in Hong Leong Assurance Berhad.

⁽²⁾ Deemed interest by virtue of their interest in HLA Holdings Sdn Bhd.

⁽³⁾ Deemed interest by virtue of their interest in Hong Leong Financial Group Berhad.

⁽⁴⁾ Deemed interest by virtue of their interest in Hong Leong Company (Malaysia) Berhad.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting (“10th AGM”) of Atrium Real Estate Investment Trust (“Atrium REIT”) will be 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 (“Broadcast Venue”) on 27 April 2022, Wednesday at 11.00 a.m. for the following purpose:-

A. ORDINARY BUSINESS

1. To receive the Audited Financial Statements of Atrium REIT for the financial year ended 31 December 2021 together with the Trustee’s Report issued by Pacific Trustee 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. **(Please see Note 2)**

B. SPECIAL BUSINESS

To consider and if thought fit, to pass, with or without modifications, the following Ordinary Resolution:-

2. **PROPOSED UNITHOLDERS’ MANDATE TO ISSUE AND ALLOT NEW UNITS OF UP TO 20% OF ITS TOTAL NUMBER OF UNITS ISSUED OF ATRIUM REIT** (Ordinary Resolution 1)

“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.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING
(cont'd)

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.”

By Order of the Board

ATRIUM REIT MANAGERS SDN. BHD. (200501028391) (710526-V)
(as the Manager of Atrium Real Estate Investment Trust)

WONG WAI FOONG (MAICSA 7001358) (SSM PC No. 202008001472)
FONG SEAH LIH (MAICSA 7062297) (SSM PC No. 202008000973)
Company Secretary

Kuala Lumpur
25 February 2022

NOTES:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Paragraphs 13.20 and 13.21 of the Guidelines on Listed Real Estate Investment Trusts.**

Unitholders **will not be allowed** to attend this Annual General Meeting (“AGM”) in person at the Broadcast Venue on the day of the meeting.

Unitholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this AGM via the Remote Participation and Voting facilities (“RPV”) provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its **TIIH Online** website at <https://tiih.online>.

Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, Atrium REIT shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to Atrium REIT, the **Record of Depositors as at 20 April 2022**. Only a unitholder whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A unitholder who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a unitholder of Atrium REIT.
4. A unitholder of Atrium REIT who is entitled to attend and vote at a general meeting of Atrium REIT may appoint not more than two (2) proxies to participate instead of the unitholder at the AGM.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING
(cont'd)

5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a unitholder of Atrium REIT is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary units of Atrium REIT standing to the credit of the said securities account.
7. Where a unitholder of Atrium REIT is an exempt authorised nominee which holds ordinary units in Atrium REIT for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. Where a unitholder appoints more than one (1) proxy, the proportion of unitholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
9. A unitholder who has appointed a proxy or attorney or authorised representative to participate at AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the AGM.
10. The appointment of a proxy may be made in a hard copy form and the proxy form must be deposited at the office of the Manager at No. 36-2, Jalan 5/101c, Off Jalan Kaskas, 56100 Kuala Lumpur. All proxy form submitted must be received by Atrium REIT not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote.
11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **25 April 2022 at 11.00 a.m.**
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited the office of the Manager at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate unitholder who has appointed an authorised representative, please deposit the ORIGINAL certificate of appointment of authorised representative at the office of the Manager at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
 - (i) If the corporate unitholder has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate unitholder.
 - (ii) If the corporate unitholder does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate unitholder (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

NOTICE OF THE TENTH ANNUAL GENERAL MEETING
(cont'd)

1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Audited Financial Statements is meant for discussion only as the approval of the unitholders is not required pursuant to Paragraph 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts issued by the Securities Commission Malaysia. Hence, this Agenda is not put forward for voting by the unitholders of Atrium REIT.

2. EXPLANATORY NOTES ON SPECIAL BUSINESS

Ordinary Resolution 1 - Proposed Mandate

The proposed Ordinary Resolution 1 is a renewal of a general mandate obtained from the unitholders of Atrium REIT at the previous Annual General Meeting and, if passed, will empower the Manager of Atrium REIT to issue New Units of Atrium REIT from time to time provided that the aggregate number of the New Units to be issued, when aggregated with the number of units issued during the preceding 12 months does not exceed 20% of its total number of units issued of Atrium REIT for the time being.

The Proposed Mandate, unless revoked or varied at a Unitholders' Meeting, will expire at the conclusion of the next Annual General Meeting of Atrium REIT.

As at the date of this Notice, no New Units in Atrium REIT were issued pursuant to the general mandate which was approved at the Ninth Annual General Meeting of Atrium REIT held on 28 April 2021 and which will lapse at the conclusion of the Tenth Annual General Meeting.

The Proposed Mandate will allow the Manager the flexibility to issue and allot New Units to raise funds to finance future investments, acquisitions and capital expenditure to enhance the value of Atrium REIT and/or to refinance existing debt as well as for working capital purposes, subject to the relevant laws and regulations. With the Proposed Mandate, delays and further costs involved in convening separate general meetings to approve such issue of units to raise funds can be avoided.

ADMINISTRATIVE GUIDE

For the Tenth Annual General Meeting (“10th AGM”)

Day & Date	:	Wednesday, 27 April 2022
Time	:	11.00 a.m.
Meeting Platform	:	https://tiih.online
Broadcast Venue	:	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

MODE OF MEETING

In view of the COVID-19 outbreak and as part of the safety measures, the 10th AGM will be conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting. This is in line with the Guidance Note and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, which was revised on 16 July 2021, including any amendment made from time to time.

The Broadcast Venue is strictly for the purpose of complying with Paragraph 13.20 and 13.21 of the Guidelines on Listed Real Estate Investment Trusts. Unitholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the 10th AGM in person at the Broadcast Venue on the day of the meeting.

Unitholders are advised to check the Management Company’s website at <http://ir2.chartnexus.com/atriumreit/agm.php> and announcements from time to time for any changes to the administration of the 10th AGM that may be necessitated by changes to the directives, safety and precautionary requirements and guidelines prescribed by the Government of Malaysia, the Ministry of Health, Securities Commission Malaysia and/or other relevant authorities.

REMOTE PARTICIPATION AND VOTING FACILITIES (“RPV”)

Unitholders are to attend, speak (in the form of real time submission of typed texts) and vote (collectively, “participate”) remotely at the 10th AGM via RPV provided by Tricor Investor & Issuing House Services Sdn. Bhd. (“Tricor”) via its TIIH Online website at <https://tiih.online>. Please refer to Procedure for RPV set out below.

A unitholder who has appointed a proxy(ies) or corporate representative(s) or attorney(s) to attend, participate, speak and vote at this 10th AGM via RPV must request his/her proxy(ies) or attorney(s) or authorised representative(s) to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please refer to Procedure for RPV set out below.

ADMINISTRATIVE GUIDE
For the Tenth Annual General Meeting (“10th AGM”)
(cont’d)

PROCEDURES FOR RPV

Unitholder(s) or proxy(ies) or authorised representative(s) or attorney(s) who wish to participate in the 10th AGM remotely using the RPV are to follow the requirements and procedures as summarized below:

	Procedure	Action
BEFORE THE AGM DAY		
(a)	Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services” by selecting the “Sign Up” button followed by “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one (1) working day and you will be notified via email. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b)	Submit your registration for RPV	<ul style="list-style-type: none"> Registration is open from Friday, 25 February 2022 until the day of AGM on Wednesday, 27 April 2022. Unitholder(s) or proxy(ies) or attorney(s) or authorised representative(s) are required to pre-register their attendance for the 10th AGM to ascertain their eligibility to participate at the 10th AGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) ATRIUM REIT 10TH AGM” Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting”. Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors dated 20 April 2022, the system will send you an e-mail after 25 April 2022 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV.)</i></p>
ON THE DAY OF THE AGM		
(c)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 10th AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of the 10th AGM on Wednesday, 27 April 2022 at 11.00 a.m.
(d)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: “(LIVE STREAM MEETING) ATRIUM REIT 10TH AGM” to engage in the proceedings of the AGM remotely. If you have any question for the Chairman/ Board, you may use the query box to transmit your question. The Chairman/ Board will endeavor to respond to questions submitted by you during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.

ADMINISTRATIVE GUIDE
For the Tenth Annual General Meeting (“10th AGM”)
(cont’d)

	Procedure	Action
(e)	Online Remote Voting	<ul style="list-style-type: none"> • Voting session commences from 11.00 a.m. on Wednesday, 27 April 2022 until a time when the Chairman announces the end of the session. Select the corporate event: “(REMOTE VOTING) ATRIUM REIT 10TH AGM” or if you are on the live stream meeting page, you can select “GO TO REMOTE VOTING PAGE” button below the Query Box. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.
(f)	End of remote participation	<ul style="list-style-type: none"> • Upon the announcement by the Chairman on the closure of the 10th AGM, the live streaming will end.

Note to users of the RPV facilities:

1. Should your registration for RPV be approved, we will make available to you the rights to join the live stream meeting and to vote remotely. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live stream meeting or online voting on the meeting day, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 or e-mail to tiih.online@my.tricorglobal.com for assistance.

GENERAL MEETING OF RECORD OF DEPOSITORS

Only unitholders registered in the Record of Depositors as at 20 April 2022 shall be eligible to participate in the 10th AGM via RPV or appointed proxy(ies) or corporate representative(s) or attorney(s) to participate and/or vote via online remote voting on his/her behalf.

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Unitholders who appoint proxy(ies) to participate via RPV at the 10th AGM must ensure that the duly executed proxy forms are deposited at the office of the manager of Atrium REIT i.e. Atrium REIT Managers Sdn Bhd at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur, not later than **25 April 2022 at 11.00 a.m.** being 48 hours before the time appointed for holding the meeting or any adjournment thereof.

POLL VOTING

The voting at the 10th AGM will be conducted by poll. The Company has appointed Tricor as Poll Administrator to conduct the poll by way of electronic voting (e-voting). Unitholders or proxy(ies) or attorney(s) or authorised representative(s) can proceed to voting on the resolutions at any time from 11.00 a.m. on Wednesday, 27 April 2022 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (e) of the above Procedures for RPV for guidance on how to vote remotely from TIIH Online website at <https://tiih.online>. Upon completion of the voting session for the AGM, the Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

ADMINISTRATIVE GUIDE
For the Tenth Annual General Meeting (“10th AGM”)
(cont'd)

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Unitholders may submit questions to the Board in advance of the 10th AGM via Tricor’s TIH Online website at <https://tiah.online> by selecting “e-Services” to login, pose questions and submit electronically no later than Monday, **25 April 2022 at 11.00 a.m.** The Board will endeavor to answer the questions received at the 10th AGM.

ENQUIRY

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 9.00 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line	:	603-2783 9299	
Fax Number	:	603-2783 9222	
Email	:	is.enquiry@my.tricorglobal.com	
Contact Person		Ms Nur Qaisara Naaila	603-2783 9272 / Nur.Qaisara.Naaila@my.tricorglobal.com
		Ms Nor Faeayzah	603-2783 9274 / Nor.Faeayzah@my.tricorglobal.com

ATRIUM REIT

ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

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

FORM OF PROXY

No. of units held	CDS Account No.

Contact No. (During office hour) _____

I/We (name of unitholder as per NRIC/Company Registration Form, in capital letters) being a unitholder/unitholders of **ATRIUM REAL ESTATE INVESTMENT TRUST** ("**Atrium REIT**") hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Unitholdings	
		No. of Units	%
Address			

or failing *him/*her/*them, the Chairman of the Meeting as *my/our *proxy/proxies to attend for *me/us on *my/our behalf at the Tenth Annual General Meeting of the Atrium REIT which will be 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 ("Broadcast Venue") on 27 April 2022, Wednesday at 11.00 a.m., and at any adjournment thereof, and to vote as indicated below:-

Special Business	FOR	AGAINST		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 25%;">Ordinary Resolution 1</td> <td>Proposed Unitholders' Mandate to issue and allot new units of up to 20% of its total number of units issued of Atrium REIT</td> </tr> </table>	Ordinary Resolution 1	Proposed Unitholders' Mandate to issue and allot new units of up to 20% of its total number of units issued of Atrium REIT		
Ordinary Resolution 1	Proposed Unitholders' Mandate to issue and allot new units of up to 20% of its total number of units issued of Atrium REIT			

* Delete if not applicable

Dated this day of 2022

.....
Signature of Unitholder/Common Seal

* Manner of execution:

- (a) If you are an individual unitholder, please sign where indicated.
- (b) If you are a corporate unitholder which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate unitholder which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
 - (i) at least two (2) authorised officers, of whom one shall be a director; or
 - (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



NOTES:-

1. IMPORTANT NOTICE

The Broadcast Venue is **strictly for the purpose of complying with Paragraphs 13.20 and 13.21 of the Guidelines on Listed Real Estate Investment Trusts.**

Unitholders **will not be allowed** to attend this Annual General Meeting ("AGM") in person at the Broadcast Venue on the day of the meeting.

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Please read these Notes carefully and follow the procedures in the Administrative Guide for the AGM in order to participate remotely via RPV.

2. For the purpose of determining who shall be entitled to participate in this AGM via RPV, Atrium REIT shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to Atrium REIT, the **Record of Depositors as at 20 April 2022**. Only a unitholder whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
3. A unitholder who is entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a unitholder of Atrium REIT.
4. A unitholder of Atrium REIT who is entitled to attend and vote at a general meeting of Atrium REIT may appoint not more than two (2) proxies to participate instead of the unitholder at the AGM.
5. If two (2) proxies are appointed, the entitlement of those proxies to vote on a show of hands shall be in accordance with the listing requirements of the stock exchange.
6. Where a unitholder of Atrium REIT is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint at least one (1) proxy in respect of each securities account it holds in ordinary units of Atrium REIT standing to the credit of the said securities account.
7. Where a unitholder of Atrium REIT is an exempt authorised nominee which holds ordinary units in Atrium REIT for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
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9. A unitholder who has appointed a proxy or attorney or authorised representative to participate at AGM via RPV **must request his/her proxy or attorney or authorised representative to register himself/herself for RPV** via TIIH Online website at <https://tiih.online>. Procedures for RPV can be found in the Administrative Guide for the AGM.
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11. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
12. Last date and time for lodging the proxy form is **25 April 2022 at 11.00 a.m.**
13. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited the office of the Manager at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur not less than forty-eight (48) hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
14. For a corporate unitholder who has appointed an authorised representative, please deposit the **ORIGINAL** certificate of appointment of authorised representative at the office of the Manager at No. 36-2, Jalan 5/101C, Off Jalan Kaskas, Jalan Cheras, 56100 Kuala Lumpur. The certificate of appointment of authorised representative should be executed in the following manner:
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 - (ii) If the corporate unitholder does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate unitholder (if any) and executed by:
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

Please fold here

Affix
Stamp
Here

The Manager of
ATRIUM REAL ESTATE INVESTMENT TRUST
No. 36-2, Jalan 5/101C
Off Jalan Kaskas, Jalan Cheras
56100 Kuala Lumpur

Please fold here





ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

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