

ANNUAL REPORT 2023





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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 a 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 the Clause 19 of the Second Restated Deed dated 17 December 2019.
Size of Fund	:	265,550,680 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

Dividend Yield
Per Annum

5.00%¹

Occupancy

100%²

Management
Expenses Ratio

1.60%

Distribution Per
Unit Per Annum

6.90 sen

Gearing
level

39.11%

Net Asset Value
Per Unit

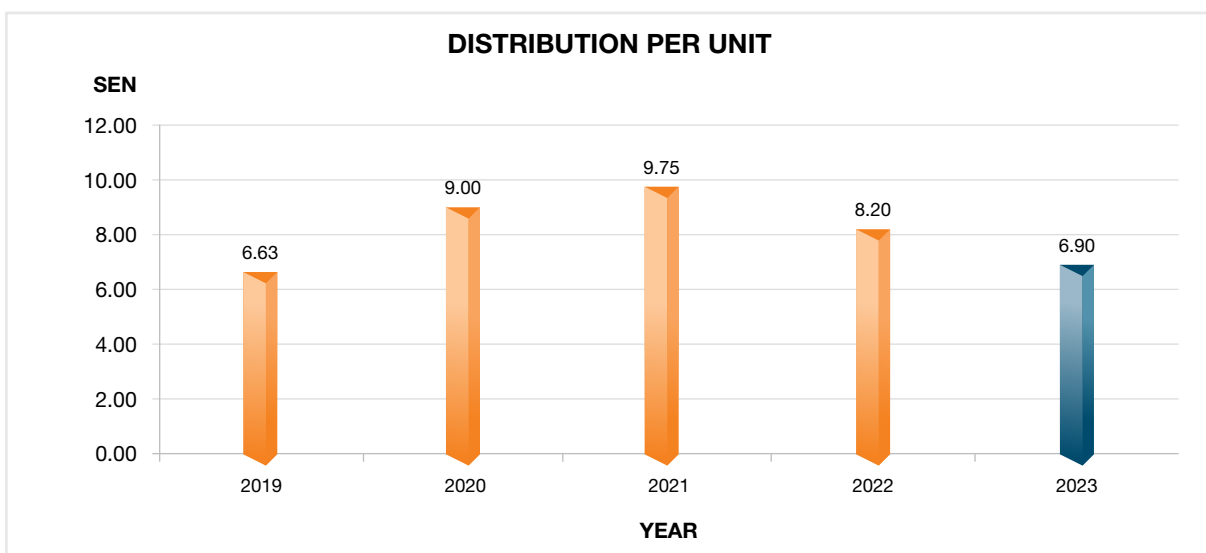
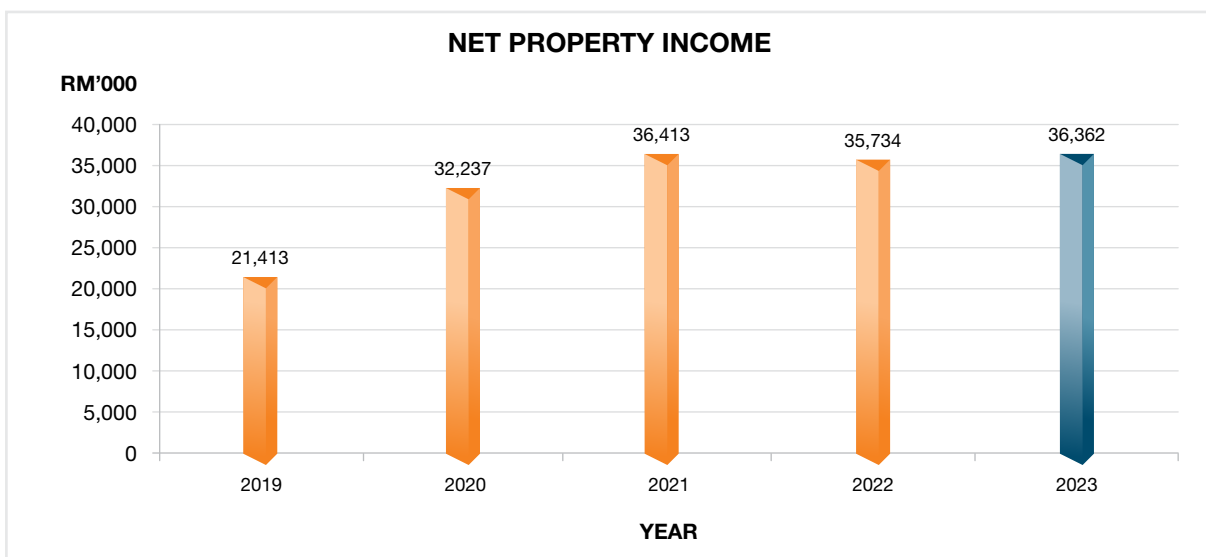
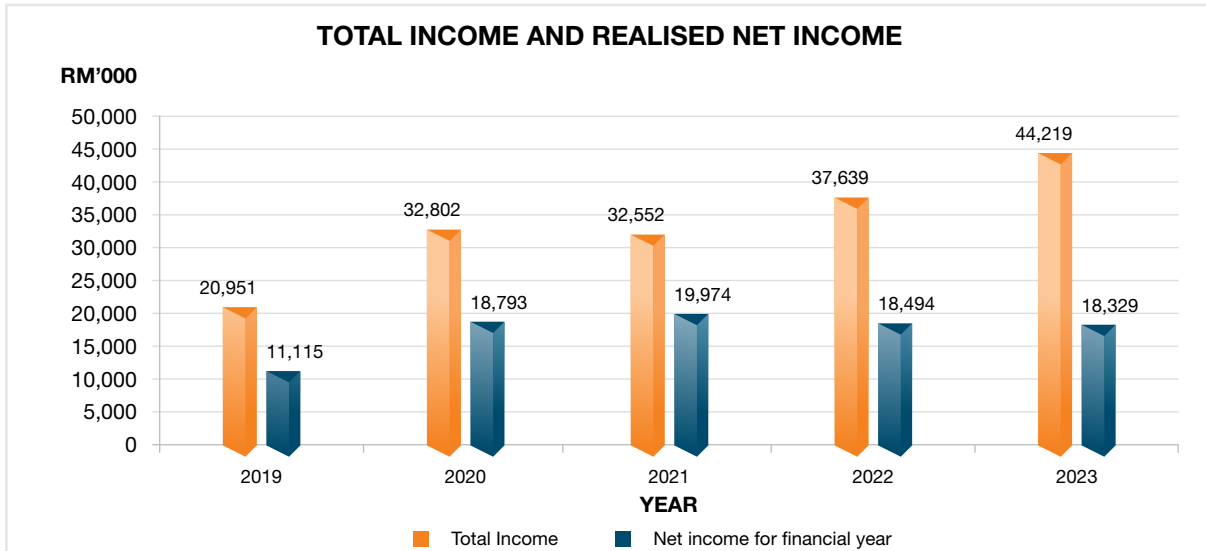
RM **1.33**³

¹ Based on closing market price on 31 December 2023 of RM1.38 per unit.

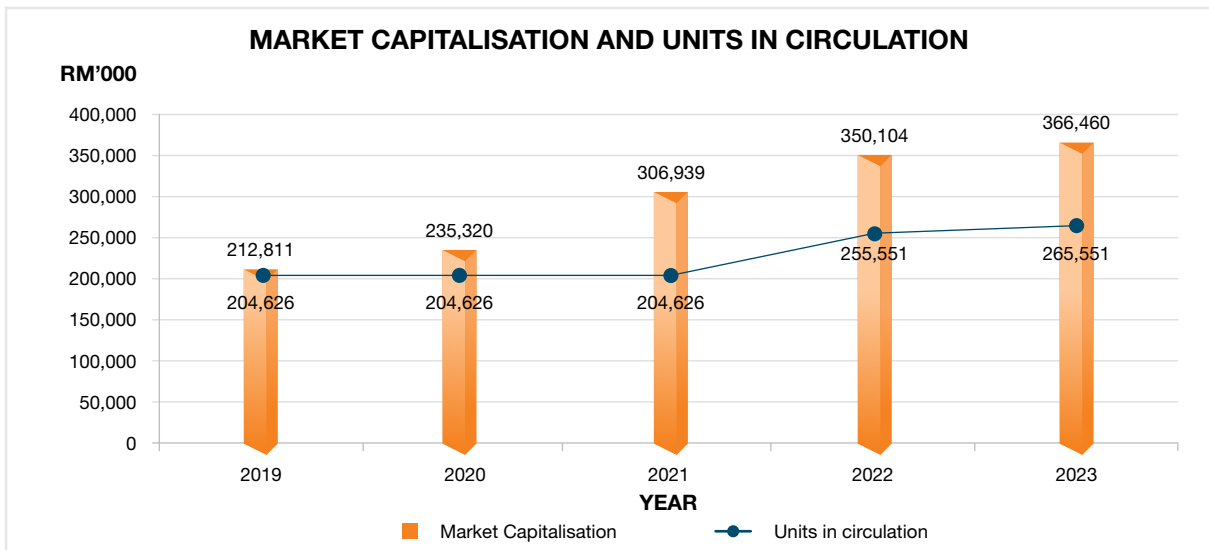
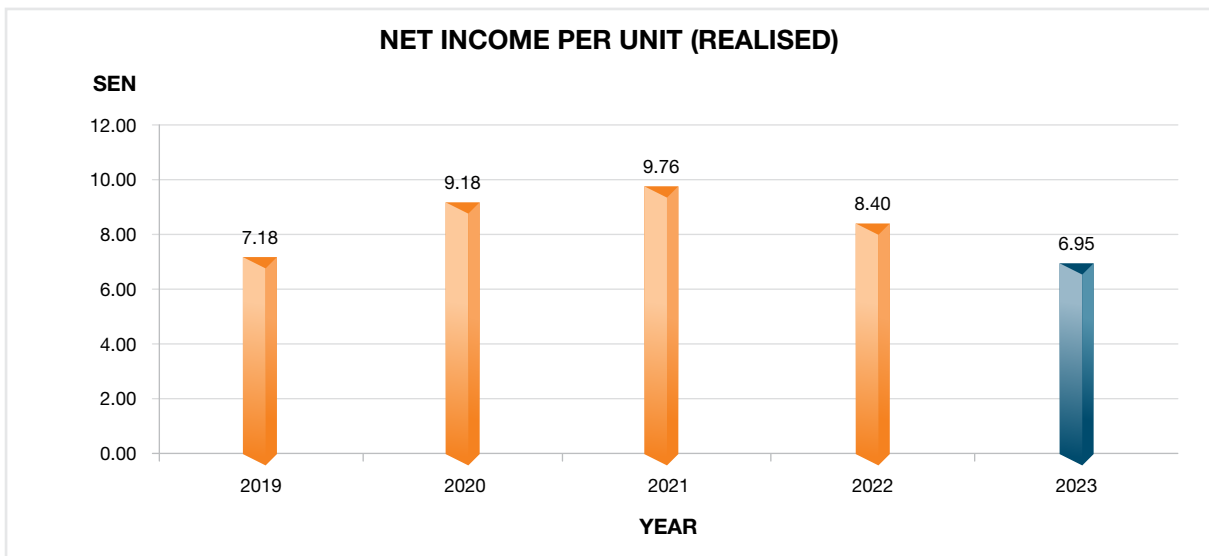
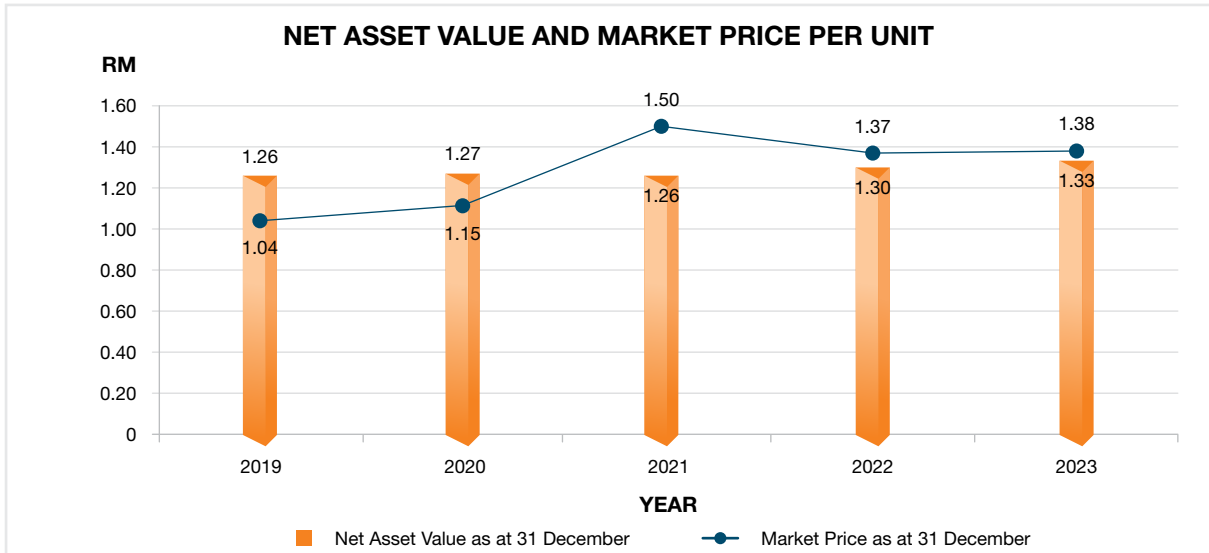
² Vacant Possession for Atrium Shah Alam 4 was handed over to DHL Properties (M) Sdn Bhd in the 4th quarter of 2023 and lease commenced in 1st quarter of 2024.

³ After the proposed final income distribution of 1.70 sen per unit (2022: 1.90 sen per unit).

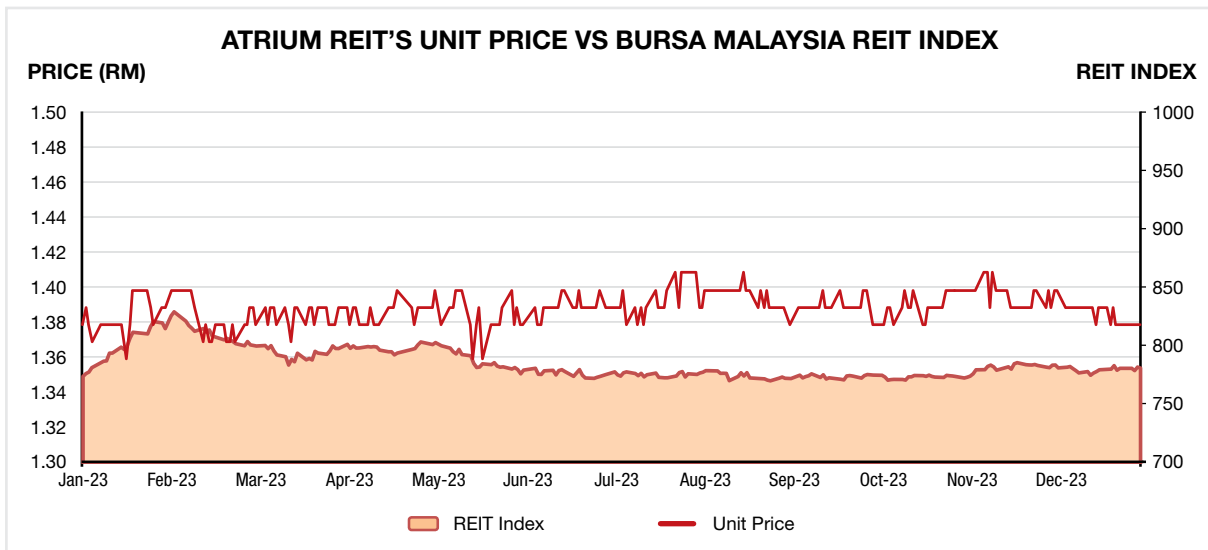
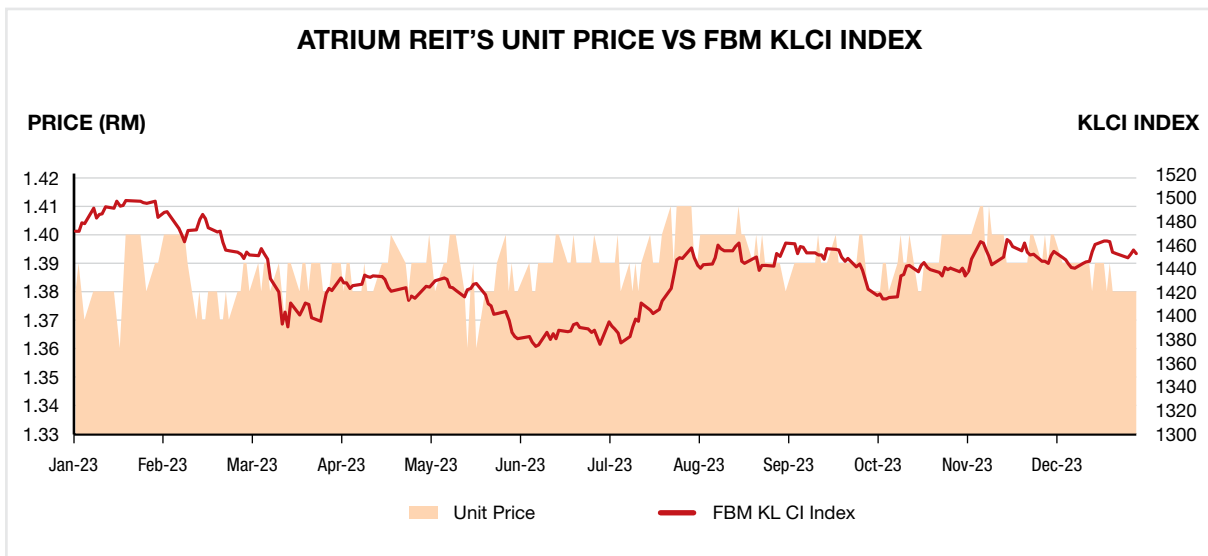
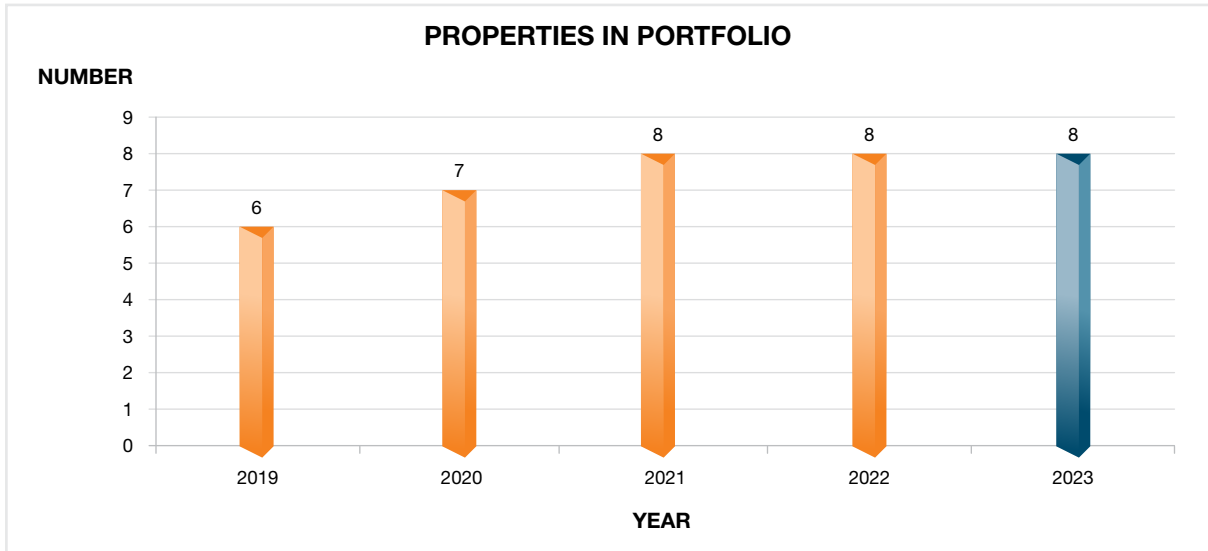
**FINANCIAL
HIGHLIGHTS
(CONT'D)**



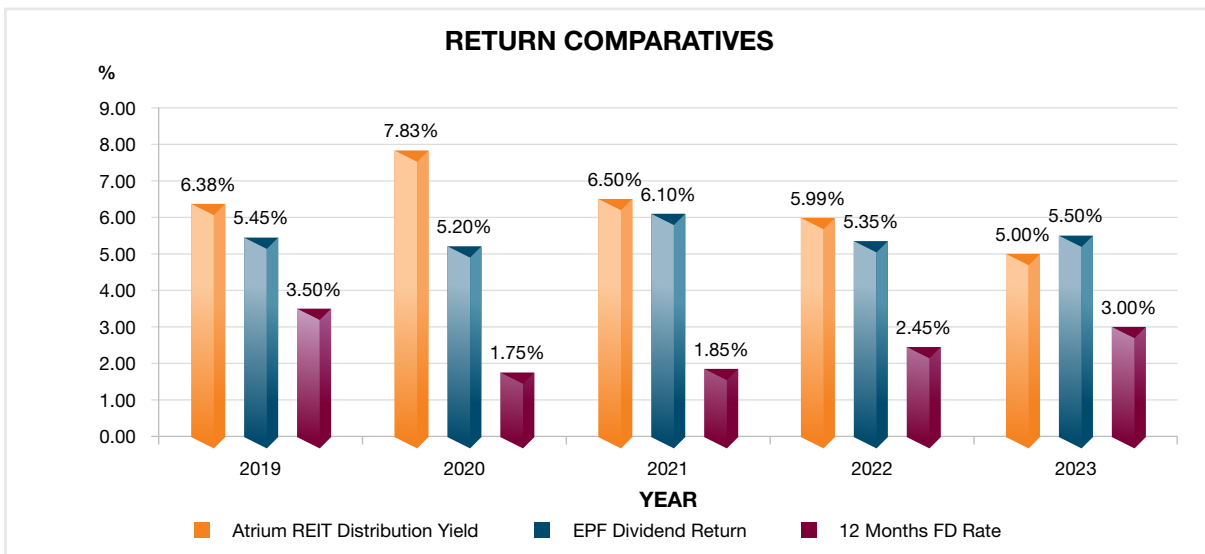
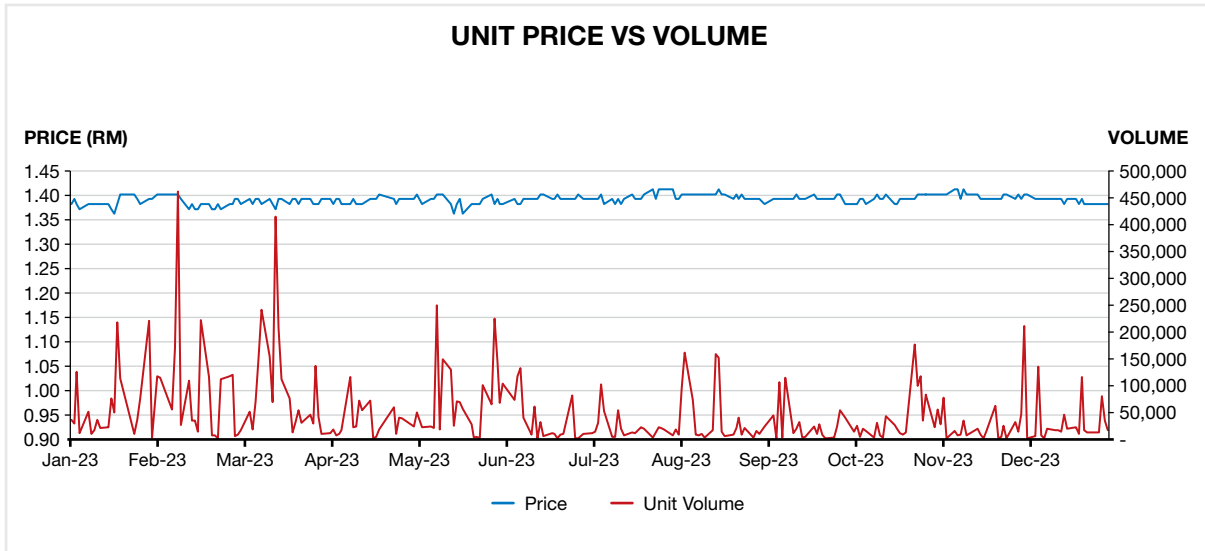
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HIGHLIGHTS
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FINANCIAL
HIGHLIGHTS
(CONT'D)



FINANCIAL
HIGHLIGHTS
(CONT'D)



PERFORMANCE DATA

I) PORTFOLIO COMPOSITION OF THE TRUST

	2019 %	2020 %	2021 %	2022 %	2023 %
Atrium Shah Alam 1	20	18	17	16	16
Atrium Shah Alam 2	17	16	15	14	14
Atrium Shah Alam 3	7	6	6	5	5
Atrium Shah Alam 4	–	–	8	11	16
Atrium Bayan Lepas 1	–	10	10	8	8
Atrium Bayan Lepas 2	27	25	23	21	19
Atrium Puchong	12	11	10	10	10
Atrium USJ	8	8	7	7	6
	91	94	96	92	94
Deposits with financial institution	9	6	4	8	6
	100	100	100	100	100

II) SUMMARY OF PERFORMANCE

	2019 %	2020 %	2021 %	2022 %	2023 %
Gross revenue (RM'000)	22,961	34,405	39,056	38,123	39,565
Net property income (RM'000)	21,413	32,237	36,413	35,734	36,362
Net income/(loss) for financial year (RM'000)					
- Realised	11,115	18,793	19,974	18,494	18,329
- Unrealised	(7,625)	2,165	(1,769)	2,723	7,383
Distribution per unit (sen)	6.63	9.00	9.75	8.20	6.90
Distribution yield (%)					
- based on market price as at 31 December	6.38	7.83	6.50	5.99	5.00
Annual total return (%)	0.07	16.32	34.71	(2.06)	5.00
- Capital return (%)	(6.31)	8.49	28.21	(8.05)	0.00
- Distribution yield (%)	6.38	7.83	6.50	5.99	5.00
Management Expense Ratio (MER) (%)	2.19	1.73	2.17	1.78	1.60

- **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

	2019 %	2020 %	2021 %	2022 %	2023 %
Asset under management (RM'000)	410,300	463,700	509,700	542,800	595,700
Total asset value (RM'000)	464,113	504,577	540,543	612,600	643,926
Net asset value (NAV)(RM'000)					
- Before proposed final distribution	261,639	265,756	263,090	335,800	356,836
- After proposed final distribution	257,076	259,617	257,872	330,943	352,322
Total borrowings (RM'000)	181,974	214,831	255,046	250,831	251,834
Gearing (%)	39.21	42.58	47.18	40.95	39.11
Units in circulation ('000)	204,626	204,626	204,626	255,551	265,551
NAV per unit – after proposed distribution					
- As at 31 December (RM)	1.26	1.27	1.26	1.30	1.33
- Highest NAV for the year (RM)	1.51	1.31	1.33	1.37	1.37
- Lowest NAV for the year (RM)	1.26	1.27	1.26	1.27	1.30
Market price per unit					
- As at 31 December (RM)	1.04	1.15	1.50	1.37	1.38
- Highest traded for the year (RM)	1.27	1.16	1.58	1.51	1.41
- Lowest traded for the year (RM)	1.02	0.81	1.14	1.32	1.36
Market Capitalisation (RM'000)	212,811	235,320	306,939	350,104	366,460



PERFORMANCE
DATA
(CONT'D)**(IV) DISTRIBUTION FOR LAST 5 YEARS**

	Distribution		Net Asset Value Per Unit (RM)	
	Per Unit (Sen)	Date	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 21	1.29	1.26
	9.75			
2022				
1st Quarter	2.20	2 Jun 22	1.29	1.27
2nd Quarter	2.25	30 Aug 22	1.29	1.27
3rd Quarter	1.85	30 Nov 22	1.31	1.29
4th Quarter	1.90	28 Feb 2023	1.31	1.30
	8.20			
2023				
1st Quarter	1.75	31 May 2023	1.32	1.30
2nd Quarter	1.75	4 Sep 2023	1.32	1.30
3rd Quarter	1.70	30 Nov 2023	1.32	1.31
4th Quarter	1.70	29 Feb 2024	1.34	1.33
	6.90			

PERFORMANCE
DATA
(CONT'D)**V) AVERAGE ANNUAL RETURN FOR ATRIUM REIT**

	%
One year	5.00
Three year	12.55
Five year	10.81

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.

MANAGEMENT DISCUSSION & ANALYSIS



INVESTMENT OBJECTIVES

Atrium REIT is a Real Estate Investment Trust (REIT) that primarily focuses on industrial properties, comprising eight (8) assets. Six (6) of these properties are situated in Selangor, with the remaining two (2) located in Penang.

The Manager's investment objective is to maximize 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 ("NAV") per unit.



STRATEGIES EMPLOYED

Conforming to its investment policies and adhering to REIT guidelines, Atrium REIT directs its investments towards real estate, single-purpose companies with primary assets in real estate, and assets related to real estate or non-real estate domains. This encompasses cash, deposits, money market instruments, and any other investments deemed permissible under the Securities Commission Guidelines on Listed Real Estate Investment Trusts ("REITs Guidelines") or authorized by the Securities Commission.

1. Organic Growth Strategy

- Proactive asset management and maximising tenant retention to develop leasing opportunities
- 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

2. Compliance Strategy

- Ensure at least 75% of total asset value is invested in real estate that generate recurrent rental income, and
- Ensure aggregate investments in property development activities and real estate under construction do not exceed 15% of total asset value

3. Acquisition Strategy

- Drive for increase cashflows, yields, distribution per unit and NAV per unit via strategic acquisition of assets
- Capitalise on debt and equity for funding future acquisitions

4. Financing and Capital Management Strategy

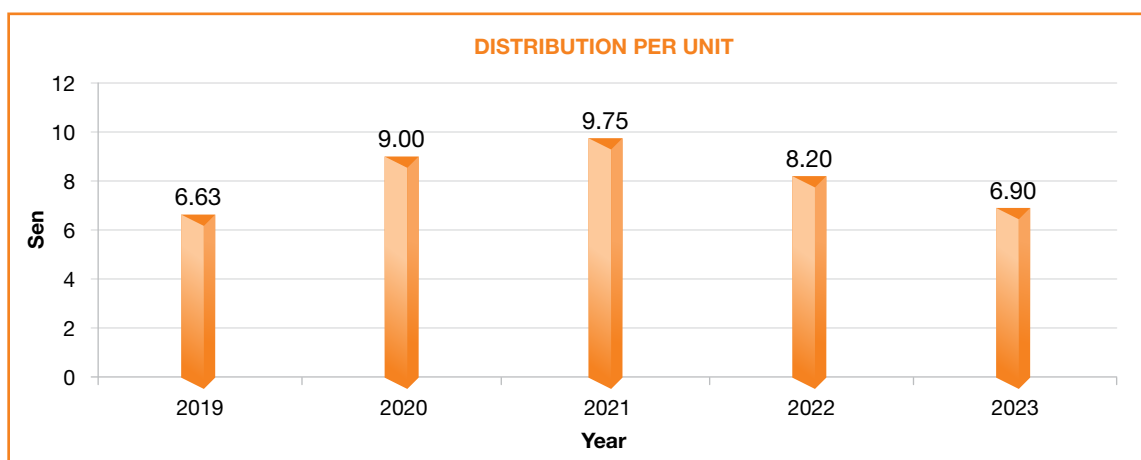
- Compliance with provisions of the Deed and REITs Guidelines
- Ensure total borrowings do not exceed 50% of total asset value
- Implement a hedging strategy to mitigate against fluctuating interest rate risks
- Establish a balanced debt-equity structure to meet financing needs

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONAL PERFORMANCE

1. Distribution Per Unit

By effectively implementing these strategies, Atrium REIT has consistently delivered stable and attractive returns to unitholders, as evidenced by the consistent quarterly distribution of income since Atrium REIT's listing in April 2007.



2. Investment Portfolio Composition and Performance

Location of Properties

Atrium REIT's properties, all strategically located in prime industrial areas, have led to a stable and robust demand for the REIT's portfolio. As a result, the REIT's portfolio achieved an occupancy rate of 100% as at 31 December 2023.

The Manager is guided by the following investment criteria:



MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONAL PERFORMANCE (CONT'D)

Portfolio of Investment

Atrium REIT's total investment listing as at 31 December 2023 is as follows:

PROPERTY PORTFOLIO	MARKET VALUE (RM)	%
Atrium Shah Alam 1	100,000,000	16.00
Atrium Shah Alam 2	88,300,000	14.00
Atrium Shah Alam 3	30,500,000	5.00
Atrium Shah Alam 4	102,300,000	16.00
Atrium Bayan Lepas 1	50,000,000	8.00
Atrium Bayan Lepas 2	122,000,000	19.00
Atrium Puchong	61,700,000	10.00
Atrium USJ	40,900,000	6.00
Sub-total	595,700,000	94.00
Deposit with Financial Institution	36,564,571	6.00
TOTAL	632,264,571	100.00

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 of a REIT must be carried out by an independent valuer at least once in a financial year.

A summary of valuation of each investment property for FY2023 is as follows:

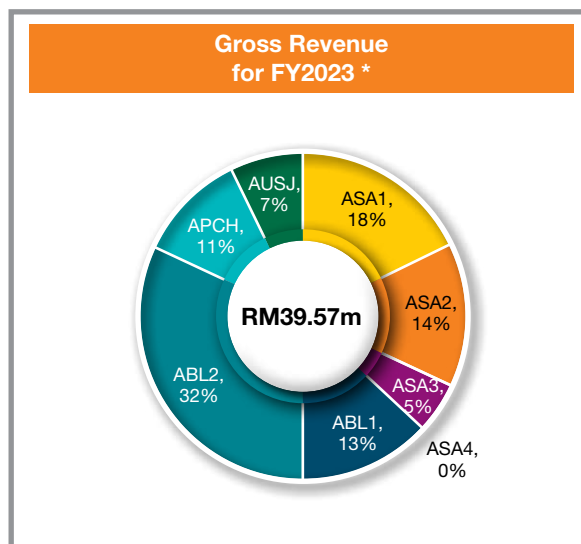
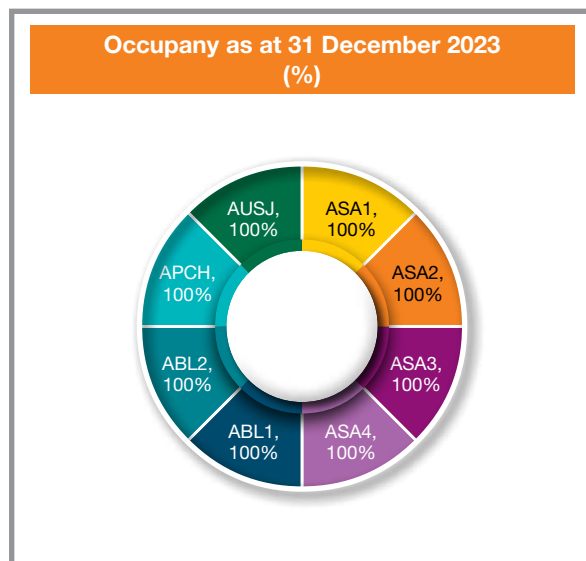
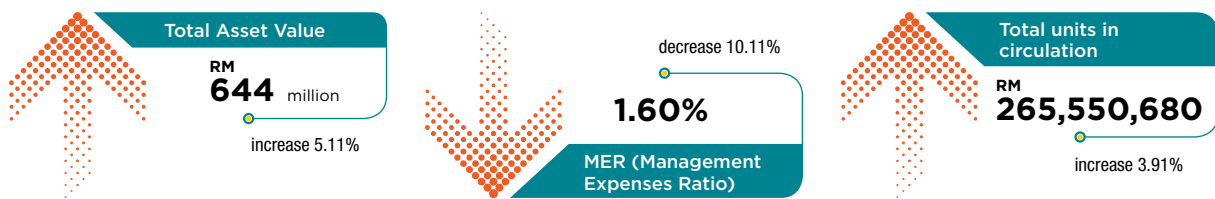
PROPERTY PORTFOLIO	Net Book Value before Revaluation (RM'000)	Fair Value as at end FY2023 (RM'000)	Revaluation Gain/ (Loss) (RM'000)
Atrium Shah Alam 1	96,340	100,000	3,660
Atrium Shah Alam 2	83,500	88,300	4,800
Atrium Shah Alam 3	30,235	30,500	265
Atrium Shah Alam 4	106,738	102,300	(4,438)
Atrium Bayan Lepas 1	50,788	50,000	(788)
Atrium Bayan Lepas 2	123,498	122,000	(1,498)
Atrium Puchong	58,800	61,700	2,900
Atrium USJ	39,600	40,900	1,300
TOTAL	589,499	595,700	6,201

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)



OVERVIEW OF BUSINESS AND OPERATIONAL PERFORMANCE (CONT'D)

Investment properties are typically held for long-term but the Manager may opt to divest the properties and reinvest in new real estate producing better yields and attractive growth potential or may opt to distribute the proceeds to unitholders.



Note: * The lease for Atrium Shah Alam 4 (ASA4) commenced in the first quarter of 2024.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

OVERVIEW OF BUSINESS AND OPERATIONAL PERFORMANCE (CONT'D)

Movement of Tenancy for 2023

During the year, all tenancies remained the same except for the following:

- a. ASA3 – a single storey warehouse with 2 storey offices located at Sekyen 16 Shah Alam, Selangor – the tenant has renewed the tenancy for another 3 years.
- b. AUSJ Block A – a single storey warehouse with 2 storey offices located at Taman Perindustrian UEP at Subang Jaya, Selangor. The current tenant, Rohlig Malaysia Sdn Bhd has renewed its tenancy to another 2 years and 4 months.
- c. APCH – a 4 double storey office block with a single storey warehouse located at Taman Perindustrian Puchong Utama, Selangor – The existing tenant has renewed its tenancy for 3 years.

Therefore, the Manager expects full occupancy for all the REIT properties for financial year 2024.



ASSET ENHANCEMENT INITIATIVES (“AEI”) AND PROPERTY ACQUISITION

One of the Manager’s responsibilities involves continuously assessing Atrium REIT’s property portfolio to identify potential Asset Enhancement Initiatives (AEIs). The aim is to enhance and optimize the performance and competitiveness of the assets, ultimately yielding improved rental returns. This entails overseeing occupancy, fortifying the operational business environment for tenants, and elevating both the condition and value of the properties.

The Manager commenced an Asset Enhancement Initiative (AEI) on ASA4 which was acquired in 2021 during the last quarter of 2022, and the initiative was successfully concluded in the 3rd quarter of 2023. Subsequently, ASA4 obtained its Certificate of Practical Completion (“CPC”) and Certificate of Completion and Compliance (“CCC”). The inclusion of ASA4 after the AEI in the portfolio has strengthened our market position, enhanced competitiveness and reinforcing our reputation as an industrial asset-focused REIT.

Acquisition of New Property

In addition to enhancing our existing properties, on 2 November 2023, Pacific Trustees Berhad, for and on behalf of Atrium REIT, had entered into a conditional sale and purchase agreement with Amazing Blitz Sdn Bhd, a related party, for the acquisition of a leasehold land held under title no. H.S.(D) 324738, PT -, Tempat Industrial Site At Batu Tiga, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan measuring 24,295.208 square metres together with all the buildings and structures erected thereon for a total cash consideration of RM41.00 million. (“Proposed Acquisition”). As this Proposed Acquisition is a Related Party Transaction, a General Meeting of Unitholders was held on 6 February 2024 to seek the unitholders approval for this Proposed Acquisition. The Proposed Acquisition was deliberated during the extraordinary general meeting and has been approved by the unitholders on 6 February 2024.

The Proposed Acquisition aligns with the REIT’s investment objectives and growth strategy to expand its existing portfolio of investment properties. It not only enhances but also further strengthens the REIT’s position as a sizeable industrial REIT in Malaysia.

We are confident that this Proposed Acquisition will not only enhance our revenue streams but also provide additional value to our unitholders. As we move forward, we will continue to explore more opportunities to create value for our unitholders.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



ASSET ENHANCEMENT INITIATIVES (“AEI”) AND PROPERTY ACQUISITION (CONT'D)

3. Financial Performance

Financial year 2023 was indeed a challenging year for Atrium REIT. During the year, the AEI for ASA4 was completed and handed over to the tenant. The corporate exercise to raise funds to finance the AEI via Special Issuance was completed during the year and RM13.99 million was raised from the said issuance. As a result of the said issuance, the number of units in circulation increased to 265,550,680 units. Atrium REIT's result was impacted by the higher property expenses arising from upkeeping of properties and the significantly higher finance costs as a result of BNM's Overnight Policy Rate hikes during 2022 and 2023.

Despite the significant increase in the property expenses and finance costs, Atrium REIT's financial results were creditable with improvements in revenue and earnings which translated to sustainable income distribution per unit. The Manager expects the gross revenue for year 2024 to improve following the commencement of ASA4 lease in FY 2024.

As at 31 December 2023, market capitalisation stood at RM366,459,938 representing 4.67% increase over the previous financial year. Based on the unit price of RM1.38, the trading price premium to NAV as at 31 December 2023 was 2.99% (FY 2022: Trading price premium of 4.26%)

	FY2023 (RM'000)	FY2022 (RM'000)	%
GROSS REVENUE	39,565	38,123	3.78
Less Property Expenses	(3,203)	(2,389)	34.07
Net Property Income	36,362	35,734	1.76
Interest and Other Income	1,656	800	107.00
Total Income	38,018	36,534	4.06
Change in Fair Value of Investment Properties	6,201	1,105	461.18
Trust Expenses	(5,588)	(5,117)	9.20
Finance Costs	(11,639)	(9,823)	18.49
Profit for the Financial Year	25,712	21,217	21.19
Profit for the Financial Year is made up as follows:			
– Realised Profit	18,329	18,494	(0.89)
– Unrealised Profit/(Loss)	7,383	2,723	171.13
Income Distribution	18,323	18,504	(0.98)
Distribution per unit (sen)	6.90	8.20	(15.85)
Annual Total Return	5.00%	(2.06%)	242.72
Capital Return	0.00%	(8.05%)	100.00
Distribution Yield	5.00%	5.99%	(16.52)
Management Expenses Ratio (“MER”)	1.60%	1.78%	(10.11)

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)**GROSS REVENUE**

Gross revenue comprises the rental income derived from Atrium REIT's investment properties. In the financial year ending 31 December 2023, Atrium RET reported a gross revenue of RM39.60 million, slightly surpassing the figure from the preceding financial year. This is inclusive of RM2.46 million rental income accounted for on a straight line basis over the lease term of the ongoing lease; in compliance to the requirements of MFRS 16. This uptick in gross revenue is attributed to step-up rental rates and the absence of rent-free amortization adjustments in the current year. The addition of the newly completed property, ASA4, is anticipated to contribute to higher rental income in the financial year 2024.

**PROPERTY EXPENSES**

Our standard practice involves consistently maintaining our properties in optimal condition and addressing our tenants' requirements promptly. Conducting routine building inspections and implementing preventive maintenance are key tasks in achieving these objectives. In the latest financial year, property expenses saw an increase from RM2.4 million to RM3.2 million, marking a 33.33% rise from the preceding fiscal year.

These expenses were essential to uphold the high-quality standards of Atrium REIT's investment properties and meet the stringent expectations of our tenants. This approach aligns with Atrium REIT's business strategies, emphasizing the preservation of property value to sustain competitive rental rates.

**NET PROPERTY INCOME**

For the financial year ended 31 December 2023, we achieved a net property income of RM36.4 million, a slight increase of 1.76% as compared to RM35.7 million in the previous financial year. The increase was mainly due to step-up rental rates and the absence of rent-free amortization adjustments in the current year.

**CHANGES IN FAIR VALUE**

The changes in fair value of investment properties were due to revaluation gains after adjusting for accrued lease income receivables, as required under MFRS 16.

**TRUST EXPENSES**

Trust expenses for FY2023 amounted to RM5.6 million, or 9.22% higher as compared to the previous financial year. The increase in trust expenses was mainly due to higher Manager's fees, Trustee's fees, and finance costs, even though administrative expenses were lower. The rise in Manager's fees and Trustees' fees was a consequence of a higher Net Asset Value resulting from Private Placement and Special Issuance exercises conducted in the second half of 2022 and the first quarter of 2023. The increase in finance costs was due to a 75-basis-point hike in the Overnight Policy Rate over the last 12 months. Notably, administrative expenses were lower in this period, as additional administrative expenses were incurred during the corresponding preceding period due to the revision of terms of a credit facility.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



FINANCE COSTS

Finance costs for FY2023 amounted to RM11.6 million, an increase of 18.50% as compared to RM9.8 million in FY2022. The increase in finance costs was due to a 75-basis-point hike in the Overnight Policy Rate over the last 12 months.



PROFIT FOR THE CURRENT FINANCIAL YEAR

For FY2023, Atrium REIT recorded a net profit of RM25.7 million, or representing a 21.18% increase as compared to RM21.2 million profit in the previous financial year. This was largely attributable to the gain in fair value of investment properties of RM6.2 million as compared to a gain in fair value of investment properties of RM1.1 million in the previous financial year. However, realised profit for the financial year was slightly lower by 0.89% to about RM18.3 million as compared to about RM18.5 million in 2022.



INCOME DISTRIBUTION

The Board of Directors of the Manager had declared a final income distribution of 1.70 sen per unit for the 4th quarter of FY2023, payable on 29 February 2024. The final income distribution together with the interim income distributions of 5.20 sen per unit, represents a total distribution per unit of 6.90 sen for FY2023 (FY2022: 8.20 sen).



ANNUAL TOTAL RETURN

The increase in Annual Total Return was mainly due to the better Capital Return achieved for FY2023 as compared to FY2022.



MANAGEMENT EXPENSES RATIO ("MER")

The decrease in MER was primarily due to the increase in the average Net Asset Value even though trust expenses increased by 9.22%.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

REVIEW OF FINANCIAL POSITION

Financial Indicators	FY2023 (RM'000)	FY2022 (RM'000)	%
Asset under Management	595,700	542,800	9.75
Trade and Other Receivables	10,838	6,110	77.38
Deposits with a Licensed Bank	36,565	47,947	(23.74)
Bank Balances	823	15,743	(94.77)
Total Assets	643,926	612,600	5.11
Total Borrowings	251,834	250,831	0.40
Trade and Other Payables	25,020	17,014	47.06
Net Asset Value	356,836	335,799	6.26
Gearing (%)	39.11	40.95	4.49
Units in Circulation ('000)	265,551	255,551	3.91
Market Capitalisation	366,460	350,104	4.67
Net Asset Value per unit (RM)			
• Before Income Distribution	1.3438	1.3140	2.27
• After Income Distribution	1.3268	1.2950	2.46
Market Price as at 31 December (RM)	1.38	1.37	0.73


ASSET UNDER MANAGEMENT

The Asset under Management rose by 9.75% to reach RM595.7 million, primarily attributed to the AEI for ASA4 and the net gain from the revaluation exercise carried out during the year end.


TRADE AND OTHER RECEIVABLES

The rise in trade and other receivables was primarily attributed to the 10% deposit paid for the Proposed Acquisition.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



LITIGATION REPORT

Atrium REIT has no material litigations, save and except the following:

1. Litigation case with S L Ng Trading Agency Sdn Bhd
High court of Malaysia at Kuala Lumpur
Writ of Summons no: WA-22NCvc-730-12/2022

The details and pertinent updates of the above material litigation have been announced on the Bursa Malaysia and Atrium REIT websites.



BORROWINGS

The Manager is committed to ensuring that the gearing ratio does not exceed the approved limit established by the Securities Commission Malaysia. The current robust cash position and balanced balance sheet empower Atrium REIT to fulfil its debt obligations while sustaining ample cash flow to address working capital requirements. This prudent financial management positions Atrium REIT well to navigate its commitments and maintain financial stability.

Indicators	FY2023 (RM'000)	FY2022 (RM'000)	FY2021 (RM'000)	FY2020 (RM'000)	FY2019 (RM'000)
Total Borrowings	251,834	250,831	255,046	214,831	181,974
Current					
– STRC	39,600	39,600	39,600	39,600	39,600
– OD	1,003	-	4,215	-	-
Non-Current					
– 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	4,066
– TL	20,000	20,000	20,000	20,000	20,000
– MTN – Tranche 1	35,000	35,000	35,000	35,000	-
– MTN – Tranche 2	87,000	87,000	87,000	87,000	87,000
– MTN – Tranche 3	36,000	36,000	36,000	-	-
Total Asset	643,926	612,600	540,543	504,577	464,113
Gearing (%)	39.11	40.95	47.18	42.58	39.21
Interest Rate (%)	3.93 to 4.93	2.93 to 4.60	2.90 to 3.51	2.90 to 3.51	4.28 to 5.47

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

TRADE AND OTHER PAYABLES

Included in trade and other payables are the security and utility deposits received from the tenants, amounting to RM17.4 million (2022: RM14.8 million).


NET ASSET VALUE ("NAV")

As at 31 December 2023, NAV and NAV per unit increased by 6.26% and 2.27% to RM356.8 million and RM1.3438 per unit as compared to RM335.8 million and RM1.3140 per unit respectively in FY2022. The increase was due to the gain in fair value of investment properties and increase in funds raised from the Special Issuance.

The Special Issuance exercise was completed with the issuance of the balance 10 million units in March 2023, increasing the REIT's total units in circulation to 265,550,680.


UNITHOLDERS CAPITAL
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 ABL1 & ABL2 and its related expenses	58.2	40.7	-	17.5	30.1	#By 30 June 2024
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Completed
Total	59.6	40.4	-	17.5	29.4	

#The Board of the Manager has resolved to utilize the balance of the proceeds for the extension of the tenure of land leases for Atrium Bayan Lepas 1 & 2. The extension process for the said land leases which were expected to be completed by December 2022 could not be completed as a result of the delays and disruptions caused by the imposition of the Movement Control Order to control the pandemic. In view of this, the Board has resolved to extend the timeframe for the utilisation of proceeds from 31 December 2023 to 30 June 2024.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



UNITHOLDERS CAPITAL (CONT'D)

Private Placement and Special Issuance of 60,925,000 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 AEI of ASA4@Sek 16, Shah Alam and its related expenses	84.4	73.6	-	10.8	12.7	#By 30June 2024
Defray estimated expenses relating to the Private Placement	0.9	0.9	-	-	-	Completed
Total	85.3	74.5	-	10.8	12.7	

The Board has resolved to extend the utilisation of the funds to 30 June 2024 pending the finalisation of the final accounts and the release of the retention sums.



UNIT PRICE AND MARKET CAPITALISATION

As at 31 December 2023, the market capitalisation stood at RM366,459,938, 4.67% higher year-on-year. Based on the unit price of RM1.38, the trading price premium to NAV as at 31 December 2023 was 2.99% (FY2022: trading price premium to NAV was 4.26%).



STRENGTHENING CORPORATE GOVERNANCE

Atrium REIT acknowledges the significance of corporate governance as the framework that delineates the business relationships among company shareholders, management teams, the Board, and other crucial stakeholders. The paramount importance of corporate governance is emphasized, and pertinent policies are instituted to foster ethical business conduct and best practices. *(Please refer to Sustainability Statement for details.)*

To further strengthen the corporate governance of the Manager and promoting transparency and accountability, the Manager established and updated the following policies and procedures which were subsequently reviewed and endorsed by the Board during the year:

- a) Updated Conflict of Interest Policy,
- b) Sustainability Framework,
- c) Technology Risk Management Policy, and
- d) Updated Risk Register.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

GLOBAL OUTLOOK

Marginal upgrades for 2023 and 2024 in last forecast update of the year

Global real GDP is projected to grow by 3.2% in 2023, a small 0.1% upgrade from our November forecasts. Most major economies have published GDP data for the third quarter, and the book will not close on 2023 until February when Q4 numbers are released. Nonetheless, growth for 2023 has tracked much stronger than expected. Compared to the projections from a year ago, our global growth forecast has increased by a full percentage point. The main source for the upside surprise was US outperformance, but emerging market economies, especially India, also showed greater-than-expected momentum.

Our global real GDP growth forecast for 2024 also ticked up by 0.1% to 2.6%. Global Purchasing Managers Indices showed global industrial activity descended into a mild contraction in the last year-and-a-half, while more volatile global services activity stalled again in October and November. This weakness is likely to extend into the early part of 2024 as the restraining effects of aggressive monetary policy tightening to tackle inflation globally come into full view. We continue to forecast a short and shallow recession in the US in the first half of 2024 and stagnant growth in Europe. China should also experience significantly slower growth next year, placing additional drag on global growth.

Expanding near-term forecast outlook to 2025

While economic conditions at the start of 2024 may present a challenging environment for businesses to operate, global growth should improve in the second half of the year. Barring any unexpected inflation surprises, central bank policy rates appear to have peaked in all major economies and the focus is shifting to the coming easing cycle. The question is not whether we will see rate cuts next year but how many. Several emerging and developing economies, including Brazil and Vietnam, have started reducing the degree of restrictive monetary policy. More economies will likely join suit, allowing global real GDP growth to reaccelerate to 2.8% in 2025.

Developing economies mainly responsible for 2023 growth surprise, mature economies main responsible for 2024 growth dip

The upside growth surprises in 2023 stemmed mainly from emerging and developing economies. Growth accelerated to what we expect will be a rate of 4.5% in 2023, up from 3.9% in 2022. Emerging and developing economies will lose some of that momentum next year, but we still project 3.8% real GDP growth for both 2024 and 2025, well above our longer-term model forecast. Yet, it is mature/advanced economies other than the US that experienced the most difficult 2023. Real GDP growth among that group of economies slowed from a very robust 3.1% in 2022 to a projected 0.9% in 2023, and our 1% forecast for 2024 suggests only limited improvement in 2024.

Key risks to the global economic outlook remain skewed to the downside

The main risk is still greater-than-expected inflation persistence. Central banks are showing growing confidence that inflation is heading in the right direction, but their inflation targets have yet to be achieved. Pockets of domestic demand resiliency and upward pressure on wages, due to labor shortages, will remain key challenges for central banks in their quest to restore inflation to targets in 2024. That could mean fewer interest rate cuts in total globally and tighter-for-longer monetary policy.

Finally, geopolitical risks remain elevated. The risk of higher commodity prices as a result of the conflict in the Middle East may have diminished somewhat. Yet, the most recent disruptions to the key Red Sea shipping route, which leads to the Suez Canal accounting for 12% of global trade, highlights how quickly geopolitics can impact the global economic outlook. Tensions between the US and China over Taiwan could similarly affect even more important global supply routes through the South China Sea. And we must not forget Russia's war against Ukraine, which could intensify again and further weigh on the already bearish European growth outlook.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



GLOBAL OUTLOOK (CONT'D)

Key risks to the global economic outlook remain skewed to the downside (Cont'd)

Our 10-year economic outlook continues to point to a prolonged period of declining vitality in the global economy. Real GDP growth will return to its slowing trajectory with mature markets making smaller contributions to global GDP over the next decade. Nonetheless, there are still opportunities for firms to invest in both mature markets—given their wealth and need for innovation to compensate for shrinking labor forces—and emerging markets—given their need for both physical and digital infrastructure to support their sizable and young labor forces. Keys to ensuring growth over the longer term include developing new lines of business, strengthening corporate culture, embracing digital transformation and automation; recruiting for talent with new skills not currently represented in the company, and maximizing the hybrid work model where it makes sense.

Note: Since October 2022, the Conference Board uses official Chinese GDP data in our global aggregation which led to an upward revision of the global aggregate growth rate. The alternative figures for China that we used before were lower, and hence our global aggregate was also lower. The change from using official GDP data as our main series for China is made for several reasons including: lack of up-to-date data that constrain the tracking of our alternative GDP measure on a timelier basis; lack of detailed data to perform the necessary calculations as described in the original methodology; and biases in official GDP data appearing smaller in earlier years. We continue to track alternative GDP data for China but will do so on a less frequent basis.

(Source: <https://www.conference-board.org/topics/global-economic-outlook>)



MALAYSIA ECONOMIC OUTLOOK

The economy grew by 3.3% in the third quarter

The Malaysian economy expanded by 3.3% in the third quarter of 2023 (2Q 2023: 2.9%). Growth was anchored by resilient domestic demand. Household spending remained supported by continued growth in employment and wages. Meanwhile, investment activity was underpinned by the progress of multi-year projects and capacity expansion by firms. Exports remained soft amid prolonged weakness in external demand. This, however, was partially offset by the recovery in inbound tourism. On the supply side, the services, construction and agriculture sectors remained supportive of growth. This was partly offset by the decline in production in the manufacturing sector given the weakness in demand for electrical and electronic (E&E) products and lower production of refined petroleum products. On a quarter-on-quarter seasonally adjusted basis, the economy grew by 2.6% (2Q 2023: 1.5%). Overall, the Malaysian economy expanded by 3.9% in the first three quarters of 2023.

Headline inflation continued to moderate to 2% (2Q 2023: 2.8%) during the quarter. The moderation was recorded in both non-core inflation and core inflation. For non-core inflation, fresh food and fuel contributed to the decline. Core inflation declined further to 2.5% (2Q 2023: 3.4%) but remained above its long-term average (2011-2019 average: 2%). The moderation in core inflation was largely contributed by selected services, including food away from home, expenditure in restaurants and cafés, and personal transport repair and maintenance. Inflation pervasiveness declined as the share of Consumer Price Index (CPI) items recording monthly price increases moderated to 40.8% during the quarter (2Q 2023: 42.7%), below the third quarter long-term (2011-2019) average of 44.5%.

Exchange rate developments

Domestic financial conditions were driven mainly by evolving expectations over the global monetary policy path. In particular, the strength of the US job markets has prompted expectations for a tighter-for-longer policy stance by the US Federal Reserve and subsequently higher US and global interest rates. In contrast, the People's Bank of China undertook further monetary policy easing to address weaker-than-expected growth in China, which dampened investor sentiments towards the region.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

MALAYSIA ECONOMIC OUTLOOK

Exchange rate developments (Cont'd)

Against this backdrop, the US dollar appreciation extended into the quarter, and the Malaysian ringgit ended up depreciating by 0.2% alongside other regional currencies. However, the ringgit appreciated by 1.4% against a basket of major trading partner currencies, as indicated by the ringgit nominal effective exchange rate (NEER).

Financing conditions

The growth in credit to the private non-financial sector improved to 4.2% (2Q 2023: 3.7%), supported by higher growth in business loans (1.6%; 2Q 2023: 0.5%) while outstanding corporate bonds growth was sustained at 5% (2Q 2023: 4.9%). The higher business loan growth was driven mainly by improving growth in working capital loans to non-SMEs. Of note, SME loan growth remained forthcoming (6.7%; 2Q 2023: 6.4%). For households, outstanding loans expanded by 5.4% (2Q 2023: 5.1%), reflecting steady growth across key purposes.

Going forward, growth will remain resilient despite external headwinds on account of firm domestic demand

BNM Governor Datuk Abdul Rasheed Ghaffour says, “Despite the challenging global environment, the Malaysian economy is projected to expand by around 4% in 2023 and 4% – 5% in 2024. Growth will continue to be driven by the expansion in domestic demand amid steady employment and income prospects, particularly in domestic-oriented sectors. This growth performance along with other favourable economic developments would provide support to the ringgit.”

Improvements in tourist arrivals and spending are expected to continue. Investment will be supported by further progress of multi-year infrastructure projects and the implementation of catalytic initiatives. Measures under Budget 2024 will also provide additional impetus to economic activity. The growth outlook remains subject to downside risks stemming primarily from weaker-than-expected external demand as well as larger and more protracted declines in commodity production. However, there are upside risk factors such as stronger-than-expected tourism activity, a stronger recovery from the E&E downcycle, and faster implementation of existing and new investment projects.

Headline and core inflation to remain moderate for the remainder of 2023

As expected, both headline and core inflation have been declining throughout the year, mainly due to milder cost conditions. This would likely continue for the remainder of 2023. Overall, headline inflation is expected to average between 2.5% and 3% in 2023. Going forward, risks to the inflation outlook remain highly subject to changes to domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(Source: https://www.bnm.gov.my/-/qb23q3_en_pr#:~:text=BNM%20Governor%20Datuk%20Abdul%20Rasheed,%25%20%E2%80%93%205%25%20in%202024.)



PROPERTY SECTOR OUTLOOK

Malaysia's Property Market in 2023

Amidst economic uncertainties, the property market stands tall, defying expectations and showcasing remarkable resilience. While growth projections may be slightly lower, industry experts remain optimistic about the outlook for the property market in 2023. In this article, we delve into the reasons behind this positive sentiment and shed light on the key factors propelling growth within the real estate industry. Despite the challenges, the property market proves its ability to thrive and adapt, offering a glimmer of hope and prosperity in the face of adversity.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



PROPERTY SECTOR OUTLOOK (CONT'D)

Malaysia's Property Market in 2023 (Cont'd)

Even in the face of external challenges like the global pandemic and economic fluctuations, Malaysia's property market has proven its resilience. The government's supportive policies, including incentives and accommodating monetary measures, boosted property transactions and boosted buyer and investor confidence. The commercial property segment also experienced growth, driven by the increased demand for e-commerce and logistics services. Additionally, infrastructural developments, such as improved transportation systems, have enhanced the appeal of properties in different areas. Together, these factors have solidified Malaysia's property market as resilient, showcasing its ability to thrive even in tough times.

The Changes In Lifestyles

The pandemic brought about changes in what people want in their homes. With lockdowns and more people working from home, individuals looked for houses that met their new needs. They sought properties with more space, a functional home office, and outdoor areas like gardens or balconies to make their living environment comfortable. Homes now serve as places not just to live but also to work. Hence, people wanted well-designed and flexible properties. Ever since remote work became common, the line between work and personal life blurred, making adaptable properties more desirable. As a result, the property market saw a high demand for homes with versatile layouts, ample space, and modern amenities, and it performed well despite the changing lifestyles and remote work trends.

The outbreak of the pandemic also brought significant shifts to Malaysia's commercial property market. As remote work became the norm for many businesses, the demand for flexible office spaces skyrocketed. Companies sought spaces that could adapt to their changing needs, with open layouts and collaborative areas gaining popularity to encourage teamwork and communication among employees. At the same time, the flourishing e-commerce industry fueled a surge in demand for warehouses and logistics spaces, catering to the growing need for efficient storage and timely deliveries.

Moreover, the pandemic sparked a wave of entrepreneurship, leading to a rise in demand for smaller offices and co-working spaces. Startups and small businesses sought cost-effective and agile solutions for their operations, resulting in a vibrant demand for these spaces, particularly in urban centers and business hubs. Despite the challenges posed by the pandemic, the commercial property market in Malaysia showcased remarkable resilience, flexibly adapting to the evolving needs and demands of businesses during this transformative period. As the pandemic drove the adoption of new work practices and business approaches, Malaysia's commercial property sector proved its dynamism and thriving nature, effectively meeting the modern business requirements of the ever-changing landscape. It really depends

The Growth Of Urbanization and Population

Urbanization and population growth in Malaysia have significant implications for the property market too. As more people move to cities in search of better job opportunities, education, and improved lifestyles. The influx of urban dwellers creates a pressing need for residential properties, driving the development of new housing projects and increasing the demand for rental properties. Additionally, the growth of urban centers also leads to the expansion of commercial activities, further fueling the demand for commercial properties such as office spaces, retail outlets, and industrial spaces.

The increasing population in urban areas also influences property trends and preferences. With more young professionals and families seeking convenient and accessible living, there is a growing interest in mixed-use developments that offer a blend of residential, commercial, and recreational facilities. These integrated developments cater to the desire for a holistic and self-contained lifestyle, where amenities and services are within reach. Moreover, as urban areas become more crowded, there is a growing demand for smaller and more compact housing options, such as studio apartments and serviced residences, which offer practicality and affordability. As a result, urbanization and population growth are significant drivers shaping the property market in Malaysia, influencing the types of properties being developed and the evolving needs and preferences of property buyers and investors.

**MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)****PROPERTY SECTOR OUTLOOK (CONT'D)****Investment Growth**

Despite the challenges posed by high-interest rates, the property market in Malaysia continues to hold strong investment potential, attracting buyers and investors alike. There are several reasons why people are willing to seize this opportunity despite the high borrowing costs. Firstly, real estate has historically been considered a safe and tangible asset, with the potential for long-term appreciation. Property prices in key areas and growing cities tend to rise over time, providing an opportunity for capital gains. This potential for wealth accumulation through property ownership remains a significant incentive for buyers.

Furthermore, the Malaysian government offers various incentives and initiatives to encourage property ownership and investment, including stamp duty exemptions and home ownership schemes. These measures aim to make property ownership more accessible and attractive to potential buyers, even in the face of high-interest rates.

In conclusion, the property market in Malaysia has demonstrated remarkable resilience, withstanding various challenges and uncertainties. The continued urbanization and population growth, coupled with the evolving needs of buyers and investors, have contributed to the sector's enduring appeal. Additionally, despite the high-interest rates and economic fluctuations, the property market continues to offer investment potential, attracting both local and foreign buyers. The government's supportive initiatives and incentives have further bolstered the market's stability and attractiveness too. As the nation progresses and adapts to a rapidly changing landscape, the property market remains a key player in shaping Malaysia's economic growth and development.

Looking ahead, the property market is expected to remain dynamic and adaptable, responding to emerging trends and challenges. Investors and industry players must stay attuned to market shifts and leverage technological advancements to stay ahead in this ever-evolving real estate landscape. With its diverse offerings, robust infrastructure, and investment opportunities, the property market in Malaysia is poised to maintain its allure and resilience in the years to come.

(Source: <https://www.linkedin.com/pulse/malaysias-property-market-2023-nextsix>)

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



INDUSTRIAL PROPERTY SUB-SECTOR OUTLOOK

Industrial property demand could exceed RM13bil per year



October 5, 2023

KUALA LUMPUR: The industrial property market in Malaysia could exceed RM13 billion per year in terms of demand, particularly in Johor, creating numerous opportunities for developers to gain market share.

According to UBS, its recent Johor site visit revealed a strong pipeline of incoming foreign direct investments (FDI), supporting its estimate of a six to ten per cent compounded annual growth rate (CAGR) for industrial property transactions from fiscal years 2021 to 2030.

It said that, despite concerns about an overly ambitious target, past data suggest a nearly twofold increase in FDI and domestic direct investment (DDI), implying six to ten per cent growth in the coming years.

“Contrary to investors’ concerns, our analysis of industry dynamics points to low risks of oversupply. From our trip, mature industrial parks near Senai are seeing strong interest from both multinational companies and SMEs. For Johor, industrial parks are not distinguished by a particular sector concentration but are better categorised by light, medium, and heavy industries. Hence, such parks can fill up quickly.

“Overall, we think industrial lands that are connected to transport hubs (particularly near Senai and Pasir Gudang Port in Johor’s north and east) are becoming scarcer. Although publicly listed developers’ industrial landbanks are spread out over a sizeable 2,500 acres, this is smaller when going down to specific markets.

“On the supply front, developers have low industrial landbank holdings. Industrial areas around transport nodes are largely built up (experiencing limited vacancy), while developers are taking a measured approach towards large-scale change of use towards industrial,” UBS said in a recent note.

According to UBS, developers and the Iskandar Regional Development Authority (IRDA) are optimistic about upcoming direct investments, with strong interest from China, Singapore, the United States, and Europe in data centres, manufacturing, and logistics.

To name a few key drivers, it said that physical and digital connectivity to Singapore and its ports serve as a springboard for investments into Johor, which is aided by the availability of land and utility infrastructure.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

INDUSTRIAL PROPERTY SUB-SECTOR OUTLOOK (CONT'D)

While it may be an advantageous time for agricultural landowners to extract value from their lands, UBS believes that conversations with key landowners in Johor, such as Johor Corporation, indicate that prime industrial lands near connectivity nodes (along major highways) will likely be retained, thereby mitigating the supply profile.

However, it believes that significant land can be gained from land conversion to industry, particularly in Iskandar Puteri in the west.

Master developers like UEM Sunrise Bhd, which has over 2,000 acres in Gerbang Nusajaya, and Sunway Bhd are looking to change the mix of such townships to a higher industrial mix.

“However, we think this should be seen in the context of potential end-users’ scale,” UBS said.

Eco World Development Group Bhd (EcoWorld), as one of Malaysia’s leading industrial players, may greatly benefit from the Johor industrial market.

The company’s undeveloped landbank was approximately 3,413 acres as of August 2023, with a remaining gross development value (GDV) of RM56 billion.

Historically, its industrial presence has been concentrated in Johor and central Malaysia. Its product offerings are industrial lots (customizable factories) measuring about one acre, with the possibility of site amalgamation for large users.

EcoWorld recently replenished its industrial landbank in Johor, demonstrating its ability to source land.

“EcoWorld has the leverage to pursue further industrial land deals. The developer scored a significant 92-acre land deal with Haitian in early 2023. I recently purchased a landbank in Johor at RM12 per square foot, which is close to the market rate, and that has the potential for data centre uses,” UBS said.

Mah Sing Group Bhd is also a major player in the industrial property market in Johor. It has previously taken part in its i-Parc industrial projects.

The plan is to participate in the future through a joint venture with South Sea Capital, with its partner sharing local contacts from mainland China.

According to UBS, Mah Sing will concentrate on acquiring suitable landbanks and developing industrial properties.

“We think Mah Sing’s asset-light approach is a safe way of expanding and playing the industrial theme. It has demonstrated a track record of quick turnaround landbanking within residential,” it said.

As of June 2023, Mah Sing had over 2,333 acres of undeveloped land, with a remaining GDV of RM24.5 billion.

Meanwhile, UBS believes that SP Setia Bhd is well positioned to capitalise on the industrialisation theme in Johor.

SP Setia has exposure through business parks, but its primary exposure will be through three major industrial land plots earmarked for monetisation, totaling nearly 967 acres.

“We estimate this could amount to RM0.5 billion in monetisable land proceeds. We think SP Setia could benefit from its industrial presence across Malaysia. High leverage was a previous concern, but we think that accelerated monetization of land banks can help to deleverage ahead,” it said.

SP Setia is in the process of converting land zoning to industrial at Setia Fontaines Industrial Park in Penang (260 acres), Setia Alaman in Klang (399 acres), and Tanjung Kupang in Johor (308 acres).

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



KLANG VALLEY, PROPERTY MARKET, 3Q 2023

SECTOR	VACANCY			RENTAL		
	2Q'23	3Q'23	4Q'23f	2Q'23	3Q'23	4Q'23f
Purpose-Built Office	▲	▼	▲	▶	▶	▶
Purpose-Built Retail	▲	▲	▲	▶	▶	▶
Industrial	▲	▲	▼	▲	▲	▲

Source: CBRE | WTW Research, 3Q 2023

ECONOMY / KEY INFRASTRUCTURE UPDATES

- In 2Q 2023, the Gross Domestic Product (GDP) grew by 2.9% (cf. 1Q 2023: 5.6%), weighed down by moderation and contraction in all sectors.
- Private consumption, which accounts for about 60% of the country's GDP, slowed to 4.3% (cf. 1Q 2023: 5.9%).
- Domestic tourism expenditures remained robust, totaling RM21.9 million, an increase of 13.9% q-o-q.
- The Overnight Policy Rate (OPR) was maintained at 3.0% and it is anticipated to remain unchanged for the remainder of the year, as growth is expected to moderate while inflation eases.
- The Ringgit recorded a 5.8% decline against the US dollar, extending its downtrend against the dollar in 2Q 2023.
- The Malaysia's GDP is forecast to grow at 4.00% to 5.00% in 2023, driven largely by domestic demand.

PURPOSE-BUILT OFFICE

- The entrance of new international office occupiers and business hubs at KL PBO was observed, e.g. ARC Group at Equatorial Plaza Tower, Investors Trust (international insurer) at Exchange 106, LSEG (stock exchange group) at Menara Prestige, ATB Riva Calzoni (oil and gas) at Menara Maxis, and Gerson Lehrman Group (financial & global information services) at Q Sentral.
- Demand for PBO space remained relatively consistent with the overall occupancy rate increasing by 0.4% q-o-q to 79.3%.
- KL's occupancy rate improved by 0.6% to 79.7%, whereas Outside KL's occupancy rate declined -0.1% q-o-q to 78.3%.
- In 3Q 2023, Menara TM Semarak was sold to the subsidiaries of Titijaya Land Bhd for RM72 million, while Legenda Harta Sdn Bhd acquired 3 Damansara Office Tower for RM52 million for investment purposes.

PURPOSE-BUILT RETAIL

- Retail sales declined 4.0% y-o-y in 2Q 2023 (2Q 2022: 62.5%, 1Q 2023: 13.8%) due to the high base effect last year and lower sales during the Hari Raya festival. After remarkable growth last year, most retail sub-sectors reported negative growth but Mini-Market, Convenience Store & Cooperative sub-sector maintained positive momentum (11.5% y-o-y).
- Singapore Bacha Coffee (F&B) and United Kingdom EL&N (F&B) debuted in Suria KLCC and Pavilion Kuala Lumpur respectively. Borders bookstore closed in Bangsar Village 2 marking the ceased operations of Borders Malaysia.
- A recent retail mall transaction was KIP Mall Kota Warisan in Sepang by KIP REIT, with a consideration of about RM80 million.
- Additional mega mix-used projects with PBR components will add pressure on occupancy and rental performance which may also deepen the gap between relevant and well-performed retail malls.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

KLANG VALLEY, PROPERTY MARKET, 3Q 2023 (CONT'D)

INDUSTRIAL & LOGISTIC

- The Industrial Production Index declined 0.5% y-o-y in September (cf. August 2023: -0.3%, September 2022: 10.8%) influenced by a downturn in the Mining sector by 5.2%. The Manufacturing sector returned to positive growth (0.4% y-o-y) fueled by domestic-oriented industries.
- Output of export-oriented industries remained on a downward trend (-2.0% m-o-m).
- In January to June 2023, MIDA reported about RM132 million worth of investments in the Manufacturing, Services and Primary sectors. By end-2023, MIDA aims to invest in the aerospace industry worth about RM134 million.
- About 27 acres of industrial lands in Banting, Selangor were transacted this quarter by Unichamp Mineral with a consideration of RM92 million.
- The overall industrial supply in prime Klang Valley amounts to about 167 million sq. ft. with about 56.8 million sq. ft. of logistic space as of 1H 2023. A recent completion was Mapletree Logistics Hub Jubli Shah Alam (1.4 million sq. ft.).
- Regional logistics and warehousing will remain as the primary drivers for the industrial property market.

SECTOR	OVERALL PERFORMANCE		
	2Q'23	3Q'23	4Q'23f
Hotel	▲	▲	▲
General Housing	▶	▶	▶
Upmarket Residential	▶	▶	▶

Note: Overall performance refers to the sectoral aspects of occupancy and rental. Source: CBRE I WTW Research, 3Q 2023

HOTEL

- The tourism industry is recovering with tourist arrivals up 500% y-o-y in January to May 2023 to 7.5 million, but still 31.7% below 2019 levels of 10.95 million.
- Hotel performance in Kuala Lumpur improved with an average occupancy of 75% (cf. 3Q 2022: 53%) and an average daily room rate of RM433 (cf. 3Q 2022: RM393).
- The tourism sector in Malaysia is set to witness favorable expansion by the end of 2023. This growth will be driven mainly by domestic tourism, which is expected to have a notable impact on the performance of the hotel market.

GENERAL HOUSING

- The existing supply of residential units increased by 4% y-o-y to reach 2.10 million units due to the completion of 5,633 high-rise residences in 2Q 2023.
- A few property launches took place in the third quarter of 2023, mainly in the western and southern regions. These launches included Mori Pines @ Gamuda Cove (300 units), Chorus @ Summer Breeze @ Setia Echill 2 (99 units), Laelia 1 @ Setia Bayuemas (98 units), and Irama Villa III @ Bandar Kinrara (38 units).
- The overall supply of residential units increased by 4% y-o-y, primarily driven by non-landed properties such as serviced apartments, SOHOs, and condominiums/apartments.
- High-rise residential property transactions experienced a significant 32% y-o-y increase in volume and a 27% y-o-y increase in value in 1H 2023.

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



KLANG VALLEY, PROPERTY MARKET, 3Q 2023 (CONT'D)

UPMARKET RESIDENTIAL

- CKL-Primary accounted for a notable 31% share of new high-rise developments in the incoming supply.
- Mont Kiara/Sri Hartamas witnessed the highest transaction volumes, particularly in sub-sale transactions.
- The number of transactions increased by 8% q-o-q with high rise units in KL registering an average price of RM983 per sq. ft.
- Based on 1Q 2023 numbers, KL town center recorded the highest primary transaction value totalling RM28.15 million and accounting for 53% of the total number of transactions.
- The number of foreign buyer transactions for residential properties in the primary market grew by 77% y-o-y, with 23 transactions in 1Q 2023.

CAPITAL MARKET

- 13 transactions of value above RM20 million were recorded in 3Q 2023, the majority of which involved the acquisition of development sites.
- A notable transaction is by Puncak Niaga Holdings Bhd of a disposal of three parcels of land in Ijok to Alpha Galaxy Sdn Bhd for RM306.1 million at a loss of RM22.4 million, as part of its strategy to monetise its landbank.
- Investors were actively acquiring development sites in the Selangor region for investment and land-banking purposes.
- The transaction performance is likely to improve in the next quarters, led by the implementation of significant national policies such as the Madani Economy and the New Industrial Plan 2030.

(Source: https://cbre-wtw.com.my/wp-content/uploads/2023/11/Klang-Valley-Snapshot_3Q-2023.pdf)

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK

Recovery of Penang property market driven by increased activity

12 Oct 2023



This article first appeared in City & Country, The Edge Malaysia Weekly on October 2, 2023 - October 8, 2023

By June this year, Penang's overall property market had well and truly recovered from the impact of Covid-19, particularly since the transition to the endemic phase that started in April last year.

In the first quarter of this year, both transaction volumes and values in the state saw an improvement from one and two years ago, says CBRE | WTW director Peh Seng Yee.

"According to data released by the National Property Information Centre (Npic), a total of 5,742 properties were transacted in Penang state in 1Q2023, which reflects increases of about 10% and 19% compared to the previous corresponding periods of 1Q2022 (with 5,228 properties) and 1Q2021 (with 4,839 properties) respectively," he notes.

"The transacted properties in 1Q2023 in the state worth about RM6.119 billion depict significant growth of more than double the value transacted in the corresponding periods in 1Q2022 (RM2.817 billion) and 1Q2021 (RM2.659 billion)."

A similar trend was observed when comparing the transactions in 2022 with those in 2021. According to Nawawi Tie Leung Property Consultants Sdn Bhd executive director Saleha Yusoff and Henry Butcher Real Estate (Penang) Sdn Bhd director Teoh Poh Huat, 23,481 properties worth RM13.38 billion were transacted in 2022, registering a 34% increase in volume and 28% in value from the previous year (2021: 17,526 properties worth RM10.45 billion transacted).

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK (CONT'D)

Nawawi Tie Leung's Saleha: The residential subsector is experiencing steady growth driven by Penang's growing economy (Photo by Nawawi Tie Leung)

All subsectors saw an uptrend in 2021 and 2022, says Saleha. In terms of volume, the agriculture subsector saw the largest increase at 56.2%, followed by commercial (55.5%), residential (31.1%), development land (30.6%) and industrial (12.5%).

In terms of value, all subsectors recorded an upward trend as well, with agriculture seeing the largest increase at 124.9%, followed by residential (33.4%), development land (17.6%), commercial (15.4%) and industrial (0.7%). "We expect the same positive movement for 2023 as buyers and investors have regained confidence," she says.

Meanwhile, Henry Butcher's Teoh observes that Penang's tourism and retail sectors have been boosted by the reopening of borders and the transition to the endemic phase, giving rise to a recovery in all subsectors, with the industrial, tourism-related and service industries taking the lead. "The performance of the property market in Penang shows a recovery driven by growth in market activity," he says.

However, cautious optimism continues to linger in the market amid major challenges such as labour shortage, currency instability, higher material cost, interest rate hikes, supply chain disruption, affordability concerns with property prices increasing faster than income levels, rising cost of living, and scarce sizeable development land, say the property consultants.

Best performers

The residential property segment continued to be the most vibrant and active subsector in Penang, accounting for 76.2% of transaction volume and 59.5% of transaction value in 2022, according to data provided by the consultants. In 1Q2023, 70% of the properties transacted (5,742 units) were residential.

Saleha says: "The residential subsector is experiencing steady growth driven by Penang's growing economy and the state being one of the top expatriate destinations. The residential subsector attracts not only local home buyers but also investors. Besides, the demand for affordable housing remained high — 73% of transacted residential properties in 2022 were below RM500,000."

Henry Butcher's Teoh notes that Penang's industrial and manufacturing sectors have always been the backbone of the state's economy, contributing 47.3% of its gross domestic product in 2021.

According to him, Penang — dubbed the Silicon Valley of the East — is home to more than 350 multinational corporations specialising in semiconductor manufacturing, electrical and electronics (E&E), and consumer electronics, which are supported by over 3,000 manufacturing-related small and medium enterprises.

"Factors contributing to the success of Penang's industrial sector include a strong and vibrant E&E ecosystem, skilled workforce, government support, as well as well-planned infrastructure and connectivity," says Teoh.

He adds that the industrial property subsector is leading the pack, with demand outstripping supply. "Higher selling prices and rents are observed. This segment is now clearly a sellers' market as opposed to the other segments, which are confronted with issues of perceived oversupply, overhang and overpriced."

As for the hospitality sector, including hotels, retail outlets and F&B establishments, they are poised to do well, given the increase in local and foreign tourist arrivals, says Teoh. "The opening of the China market will undoubtedly have a strong significant impact. Medical tourism and MICE (meetings, incentives, conferences and exhibitions) are supporting the hospitality industry as well. Heritage pre-war homes and shops are another asset class seeing remarkable growth in capital values over the years due to the inelastic supply and strong demand."

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK (CONT'D)

Development hotspots

Batu Kawan, the third satellite town in Penang after Bayan Baru and Seberang Jaya, and its immediate surroundings in Seberang Perai have become a development hotspot in the state.

Batu Kawan has experienced the most development activities in recent years, says CBRE | WTW's Peh. "The catalysts for this are the second Penang bridge (Sultan Abdul Halim Muadzam Shah Bridge) linking Batu Kawan to Bayan Lepas on Penang island, the establishment and maturing of the Batu Kawan Industrial Park, and the availability of sizeable development land for township development."

Henry Butcher's Teoh notes that Bandar Cassia in Batu Kawan, which is in the Seberang Perai Selatan district, is seeing the most development activities. "There are several ongoing developments in Bandar Cassia, including Vivo Executive Suite, Versa and Viluxe by Aspen Group; Beldon and Camdon by EcoWorld; Anggun Residences by PE Land; Savana by Paramount Group; ION Vivace by Grand Flo; Columbia Asia Hospital; and a petrol station."

The well-planned infrastructure and strategic location of Bandar Cassia are the major factors contributing to the success of this satellite township, he adds.

"Developers and investors are eyeing the potential spillover effect from the vibrant industrial sector in Penang, especially the Seberang Perai Selatan district, which has created a lot of job opportunities and improved the living standard in that area. The prices of landed properties and high-rise condominiums as well as serviced apartments in the area are now on a par with those in the southern part of Penang island."

Nawawi Tie Leung's Saleha notes that in addition to Batu Kawan, locations like Kepala Batas, Bertam and Tasek Gelugor are also seeing active development activities. "The catalysts include nearby industrial parks, which offer employment opportunities to the locals; new industrial parks to accommodate the growth of the manufacturing sector, especially E&E; and township developments that provide all-in facilities and amenities offering a lifestyle suitable to the preferences of today's target market."

Meanwhile, major land reclamation works for the upcoming Seri Tanjung Pinang Phase 2 as well as the proposed Penang Silicon Island (previously known as Island A of Penang South Island, or PSI) as well as the light rail transit component of the Penang Transport Master Plan (PTMP) are expected to be the main catalyst that will change Penang's landscape and provide new opportunities for the property market, says Peh.

Industrial

The industrial property market in Penang is showing positive signs of growth, with the highest number of transactions recorded in 2022 (522 units) since 2019, says Nawawi Tie Leung's Saleha (see Table 7).

"Penang's growing economy and attractive investment incentives make it an attractive destination for domestic and foreign investors, especially in the manufacturing sector. This growth has prompted developers with land bank along highways to develop integrated industrial parks targeting light and medium high-tech industries," she says.

However, despite the availability of international standard infrastructure like transport network, utilities and telecommunications, Penang's industrial property market faces some challenges such as the global economic uncertainty, as many of the investments in manufacturing come from multinational corporations, and rising construction costs.

Nonetheless, the demand for industrial properties remains strong in Penang, mainly from the E&E and medical device sector, says Saleha. "The continuous flow of investments, especially in the E&E and medical device sectors, has resulted in the expansion of industrial developments in Penang by various developers."

MANAGEMENT DISCUSSION & ANALYSIS (CONT'D)



PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK (CONT'D)

Industrial (Cont'd)

Henry Butcher's Teoh notes that the 522 industrial property transactions worth RM1.623 billion in 2022 indicate a 12.5% increase in volume and a 0.7% increase in value from 2021. Leading the number of transactions were terraced factories/warehouses (183), followed by semi-detached factories/warehouses (122), industrial vacant plots (104), detached factories/warehouses (68) and others (13).

"In terms of volume, the Seberang Perai Tengah district was a dominant force in terms of industrial transactions, chalking up 50% of the total transactions. This was followed by Seberang Perai Selatan (20%) and Seberang Perai Utara (15%)," he adds.

For vacant industrial land, prices have generally risen between 5% and 15% in Seberang Perai compared to 2021, says Teoh. "The transacted prices of industrial land in Seberang Perai ranged from RM40 to RM65 psf depending on the location and tenure."

Meanwhile, he anticipates that the industrial sector will continue to perform well this year, supported by its transition to Industry 4.0 and the high rate of digitalisation. "Penang has made a name for itself as a significant regional hub for electronics production, thanks to the presence of a large E&E cluster. The pandemic accelerated raw material sales, strengthening Penang's position in this sector. Rapid technical breakthroughs and digitalisation, which have raised the demand for industrial properties in the area, [also contributed to] the state's expansion as a manufacturing powerhouse."

The growth of Batu Kawan Industrial Park 2 (BKIP2) by 1,500 acres and BKIP3 by 600 acres points to a bright future for Penang's industrial real estate industry, he adds. "The lack of huge land parcels and rising demand are the driving forces behind this expansion. Overall, despite the fact that there are several opportunities in the industrial industry, there are many worldwide challenges and market uncertainties, such as geopolitical conflicts."

Meanwhile, Teoh says Penang will continue to benefit from geopolitics. "Performance indicators in the manufacturing sector are robust and remained resilient in the past years despite the uncertainties and supply disruptions caused by the pandemic and geopolitical tensions."

He adds that the increase in capital values, rents and occupancy rates of production space is likely to be modest to strong due to the limited supply of industrial land and properties. "The growth prospects for the manufacturing sector will be led by the continuing digitalisation, e-commerce and technological advancements in the transport, engineering and semiconductor segments. Manufacturers, related suppliers and logistics players are anticipated to consider Penang as their regional base, given its stable fundamentals and proactive state and federal government initiatives," he says.

The asking prices of industrial land in Batu Kawan Industrial Park have increased to RM70 psf. "Sectors that will appeal to investors include business space, life sciences, industrial, data centres and logistics. Demand is expected to come from regional corporate offices of industrial companies and multinational corporations; backroom support offices of financial institutions; IT firms and R&D companies."

CBRE | WTW's Peh says, "Penang's industrial property sector has grown from strength to strength with flourishing market activity. The encouraging new manufacturing investments have continued to underpin this sector."

With Industry 4.0 requirements for high-technology implementation as well as last-mile delivery requirements for warehouses that are closer to the population catchments, there are opportunities for built-to-suit arrangements, he says.

"Owing to the ongoing corporate restructuring, there are also opportunities for sale and leaseback arrangements. Moreover, purpose-built workers' dormitories are a growing opportunity as industrialists strive to comply with Act 446 of the Workers' Minimum Standards of Housing and Amenities Act as well as align with the global goals of ESG," says Peh.

MANAGEMENT DISCUSSION
& ANALYSIS
(CONT'D)

PENANG INDUSTRIAL PROPERTY MARKET OUTLOOK (CONT'D)

Industrial (Cont'd)

According to him, land values at Penang Development Corp's (PDC) industrial parks range from RM30 to RM60 psf in Seberang Perai and between RM80 and RM140 psf in Bayan Lepas. Asking prices of industrial parcels of land in BKIP have increased to RM70 psf.

Meanwhile, Peh expects further improvements in prices and rents in the short term, driven by healthy demand in the industrial sector.

"Owing to the availability of sizeable development land, Seberang Perai will continue to be the hotspot for new PDC and private industrial projects such as Penang Medical and Digital Technology Hub, BKIP2, Penang Science Park South, A-park, VDI, VS11 and Penang Technology Park. The strong investment performance will continue to underpin the state's industrial property subsector," he says.

(Source: <https://theedgemaalaysia.com/node/684338>)



PROSPECTS

Atrium REIT has delivered a solid performance throughout FY2023 despite navigating geo-political uncertainties US-China tradewar, Russia-Ukraine war, challenges, and increased finance costs. This success can be attributed to its strategic focus on organic growth, robust corporate governance practices, and prudent management of its asset portfolio, finances and capital. These strategies will remain unchanged in the upcoming financial year, aimed at ensuring sustainable financial returns for its unitholders. The management remains optimistic about revenue growth, especially with a new tenancy scheduled to commence in 2024.

While the Manager acknowledges the possibility of supply of warehouses surpassing demand, it is prepared to take all necessary actions to leverage or mitigate any such situations, building upon the strong performance of the previous fiscal year, excellent locations of its portfolio and the competitive rental rates offered and consistently monitoring its gearing and interest rates. Atrium REIT will continue its quest to acquire properties in prime locations, evaluating suitable financing options and collaborating with established financial institutions.

With a goal of maintaining its outstanding track record of full occupancy across its investment properties, Atrium REIT is committed to upholding its strong corporate brand and offering superior value propositions for its investment properties in the years ahead.

PROPERTY PORTFOLIO

CENTRAL REGION - SELANGOR



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

Year of completion :

2005

Land details :

Freehold land measuring approximately 573,124 sq.ft.

Existing use :

Warehouse 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/ Tenancy Period :

6 years

Major capital expenditure during the year :

Nil

Encumbrances :

The property is charged to a financial institution to secure a Short-Term Revolving Credit facility of RM39,600,000

Latest valuation :

RM100,000,000

Date of revaluation :

27 November 2023

Valuer :

Raine & Horne International Zaki + Partners Sdn Bhd

Fair Value adjustment :

RM3,660,000

Net book value :

RM96,340,000

Net Lettable Area :

311,736 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**CENTRAL REGION -
SELANGOR**



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

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

Lessee :

Samsung SDS Malaysia Sdn Bhd

Occupancy :

100%

Lease/ Tenancy Period :

5 years

Major capital expenditure during the year :

Nil

Encumbrances :

The property is charged to a financial institution to secure a Term Loan, Overdraft and Bank Guarantee facilities of RM41,065,288.

Latest valuation :

RM88,300,000

Date of revaluation :

27 November 2023

Valuer :

Raine & Horne International Zaki + Partners Sdn Bhd

Fair Value adjustment :

RM4,800,000

Net book value :

RM83,500,000

Net Lettable Area :

259,933 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**CENTRAL REGION -
SELANGOR**



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

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

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 :

DSV Solutions (DC) Sdn Bhd

Occupancy :

100%

Lease/ Tenancy Period :

3 years

**Major capital expenditure during the
year :**

Nil

Encumbrances :

The property is charged to a financial
institution to secure a Term Loan
and Bank Guarantee facility of
RM18,700,000

Latest valuation :

RM30,500,000

Date of revaluation :

28 November 2023

Valuer :

Raine & Horne International Zaki +
Partners Sdn Bhd

Fair Value adjustment :

RM265,000

Net book value :

RM30,235,000

Net Lettable Area :

90,670 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

CENTRAL REGION -
SELANGOR



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 325041 Mukim Bandar Shah Alam, Petaling, Selangor

Property type :

Industrial

Description :

A double storey warehouse with a mezzanine office and a sub-basement carpark

Year of completion :

1990
2023 (Asset Enhancement Initiative)

Land details :

HSD 325041 - 50 years leasehold expiring 1 February 2073, measuring approximately 302,337 sq. ft.

Existing use :

Warehouse and office

Parking spaces :

165 car bays
158 motorcycle bays

Date of acquisition :

24 February 2021

Cost of acquisition :

RM45,000,000

Lessee :

DHL Properties (Malaysia) Sdn Bhd

Occupancy :

100%

Lease/ Tenancy Period :

6 years

Major capital expenditure during the year :

RM44,237,724

Encumbrances :

The property is charged to a financial institution to secure a Medium-Term Note facility of RM36,000,000

Latest valuation :

RM102,300,000

Date of revaluation :

28 November 2023

Valuer :

Raine & Horne International Zaki + Partners Sdn Bhd

Fair Value adjustment :

(RM4,438,000)

Net book value :

RM106,738,000

Net Lettable Area :

338,417 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**CENTRAL REGION -
SELANGOR**



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

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%

Lease/ Tenancy Period :

3 years

Major capital expenditure during the year :

Nil

Encumbrances :

Nil

Latest valuation :

RM61,700,000

Date of revaluation :

30 November 2023

Valuer :

Raine & Horne International Zaki + Partners Sdn Bhd

Fair Value adjustment :

RM2,900,000

Net book value :

RM58,800,000

Net Lettable Area :

203,994 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**CENTRAL REGION -
SELANGOR**



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)

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 :

Rohlig Malaysia Sdn. Bhd.

Occupancy :

100%

Lease/ Tenancy Period :

Block A: 2 years 4 months
Block B: 3 years
Block C: 3 years

Major capital expenditure during the year :

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 :

RM40,900,000

Date of revaluation :

27 November 2023

Valuer :

Raine & Horne International Zaki + Partners Sdn Bhd

Fair Value adjustment :

RM1,300,000

Net book value :

RM39,600,000

Net Lettable Area :

128,086 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**NORTHERN REGION -
PENANG**



ATRIUM BAYAN LEPAS PLANT 1



Property :

Atrium Bayan Lepas Plant 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 warehouse annexed
with a double storey office and other
ancillary buildings

Year of completion :

1972

Land details :

Lot No. 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/ Sun-Lessee :

Lumileds Malaysia Sdn Bhd

Occupancy :

100%

Lease/ Tenancy Period :

15 years

**Major capital expenditure during the
year :**

Nil

Encumbrances :

The property is charged to a financial
institution to secure a Medium-Term
Note facility of RM35,000,000

Latest valuation :

RM50,000,000

Date of revaluation :

29 November 2023

Valuer :

First Pacific Valuers Property
Consultants Sdn Bhd

Fair Value adjustment :

(RM788,000)

Net book value :

RM50,788,000

Net Lettable Area :

189,932 sq.ft.

PROPERTY
PORTFOLIO
(CONT'D)

**NORTHERN REGION -
PENANG**



ATRIUM BAYAN LEPAS PLANT 2



First Pacific Valuers Property Consultants Sdn Bhd

Property :

Atrium Bayan Lepas Plant 2

Address :

Plot 401, Lintang Bayan Lepas 8, Kawasan Perindustrian Bayan Lepas Fasa 4, Mukim 12, 11900, 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

Year of completion :

2012

Land details :

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

Lessee/ Sun-Lessee :

Lumileds Malaysia Sdn Bhd

Occupancy :

100%

Lease/ Tenancy Period :

15 years

Major capital expenditure during the year :

Nil

Encumbrances :

The property is charged to a financial institution to secure a Medium-Term Note facility of RM87,000,000

Latest valuation :

RM122,000,000

Date of revaluation :

29 November 2023

Valuer :

First Pacific Valuers Property Consultants Sdn Bhd

Fair Value adjustment :

(RM1,498,000)

Net book value :

RM123,498,000

Net Lettable Area :

298,569 sq.ft.

BOARD OF DIRECTORS AND MANAGEMENT OF THE MANAGER

BOARD OF DIRECTORS

Chairman and Non-Independent Non-Executive Director

Dato' Dr Ir Mohamad Khir Bin Harun

Executive Directors

Wong Sui Ee

Foong Wai Leng

Independent Non-Executive Directors

Chan Wan Seong

Chng Boon Huat

Ho Hock Heng

AUDIT COMMITTEE

Chng Boon Huat (Chairman)

Chan Wan Seong

Ho Hock Heng

NOMINATING COMMITTEE

Chan Wan Seong (Chairman)

Chng Boon Huat

Ho Hock Heng

COMPANY SECRETARY

Wong Wai Foong
(MAICSA 7001358)

Fong Seah Lih
(MAICSA 7062297)

MANAGEMENT

Wong Sui Ee
Executive Director/
Head of Investment

Foong Wai Leng
Executive Director/
Head of Risk and Compliance

Chan Kum Chong
Chief Executive Officer

Ng Bee Eng
Chief Operations Officer

Lee Hooi Hoong
Chief Financial Officer

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
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

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

AUDITORS

BDO PLT
201906000013 (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**

BURSA MALAYSIA STOCK NAME AND CODE

ATRIUM 5130

PROFILE OF DIRECTORS

DATO' DR IR MOHAMAD KHIR BIN HARUN

Non-Independent and
Non-Executive Director
Chairman

was appointed to the
Board on

5 October 2009

Nationality



•

Gender



•

Aged

73

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.

He 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/
Head of Investment

was appointed to the
Board on

22 September 2005

Nationality



•

Gender



•

Aged

54

Ms. Wong graduated with a Bachelor of Arts majoring in Accounting and Finance from Middlesex University, London, in 1991. She was admitted as an Associate member of the Institute of Chartered Accountants in England and Wales (ICAEW) in 1994.

She 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), Danzasmal (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.

PROFILE OF
DIRECTORS
(CONT'D)

FOONG WAI LENG

Executive Director/
Head of Risk and Compliance

was appointed to the
Board on

28 June 2022

Nationality



•

Gender



•

Aged



Ms. Foong earned her degree from the Business Faculty at the University of Technology, Sydney, Australia, and acquired her accounting professional degree from CPA Australia in 2006. Holding a charter membership ('CA') with the Malaysian Institute of Accountants (MIA), as well as a charter accountant with fellow membership in CPA Australia ('FCPA'), she also holds a charter membership ('CMIIA') with the Institute of Internal Auditors Malaysia (IIAM).

With an extensive background spanning over 30 years, she has worked in accounting, internal and financial auditing, and advisory roles across diverse sectors such as property and asset management, construction, hotel management, retail, and manufacturing. Her accounting journey commenced in 1989, and in 2000, she transitioned to internal auditing subsequent to completing her business degree. Joining IGB Corporation Bhd. in 2003 as a Group Internal Audit Executive, she steadily progressed to become the Senior Internal Audit Manager during her decade-long tenure. Her responsibilities encompassed evaluating and reporting on the efficacy and efficiency of operational functions across the Group and its subsidiary entities.

Prior to her tenure at Atrium REIT Managers, she served as a consultant at a medium-sized auditing and consulting firm. Here, she assessed enterprise risk management, operational efficiency, effectiveness, as well as financial and strategic risks for a mix of publicly listed and private entities in various industries.

PROFILE OF
DIRECTORS
(CONT'D)**CHAN WAN SEONG**

////////

Independent
Non-Executive Director*Chairman of Nominating
Committee and Member of
Audit Committee*was appointed to the
Board on**26 October 2016**

Nationality



•

Gender



•

Aged

69

Mr. Chan graduated with a Degree in Bachelor of Economics (Hons), majoring in Business Administration from Universiti Malaya in 1977.

His 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
and Member of Nominating
Committee*

was appointed to the
Board on

1 September 2018

Nationality



•

Gender



•

Aged



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 advocating good corporate governance practices such as risks management and internal control systems to companies listed on Bursa Malaysia Securities Berhad. 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 is also an Independent Non-Executive Director of Gagasan Nadi Cergas Berhad, a company listed on Bursa Malaysia Securities Berhad, and a director of Christian Dior Fashion (Malaysia) Sdn. Bhd.

HO HOCK HENG

////////

Independent
Non-Executive Director

*Member of Audit Committee
and Nominating Committee*

was appointed to the
Board on

15 May 2023

Nationality



•

Gender



•

Aged



Mr. Ho completed his degree with The Association of International Accountants in 1991. Mr. Ho has more than 32 years’ experience in the real estate industry. He started his career in real estate industry in 1989 as a marketing executive in Golden Triangle Real Estate Agents Sdn. Bhd. In 1992 he joined Hectares & Strata Real Estate Agents as Head of Commercial Department for 7 years. Subsequently he was the Head of Commercial and Industrial Department for Pacific Landmark Real Estate Agents from 1999 to mid-2002. Presently with 5A Realty Sdn. Bhd. as Probationary Estate Agents.

PROFILE OF
DIRECTORS
(CONT'D)

Notes:

Material Sanction and/or Penalty

There was no public sanction and/or penalty imposed on the Directors of the Manager by the relevant regulatory bodies during the financial year ended 31 December 2023.

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.

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 of Atrium REIT during the financial year under review.

PROFILE OF CHIEF EXECUTIVE OFFICER AND KEY SENIOR MANAGEMENT

CHAN KUM CHONG

//////

Chief Executive Officer

was appointed as
Chief Executive Officer on

1 April 2010

Nationality



•

Gender



•

Aged

68

Mr. Chan graduated from Portsmouth Polytechnic (now known as University of Portsmouth) in 1980 with a Bachelor of Science in Quantity Surveying.

He 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 totaling RM100million.

Other Directorship of Public Companies

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

Family Relationship with any Director and/or Major Unitholder

Mr. Chan is the brother of Mr. Chan Kam Tuck, who is a major unitholder of the Atrium REIT. Saved 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 Unitholding of Directors and Related Parties in the notes to the financial statements), no conflict of interest has arisen during the financial year under review.

Convictions for Offences

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

PROFILE OF CHIEF EXECUTIVE OFFICER AND KEY SENIOR MANAGEMENT (CONT'D)

NG BEE ENG

//////

Chief Operations Officer

was appointed as Chief
Operations Officer on

1 August 2021

Nationality



•

Gender



•

Aged

46

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. In 2012, Ms. Ng joined Plus Asijaya (Perak) Sdn Bhd and Plus Asijaya (Pahang) Sdn Bhd as Project Director. She is since appointed to the Board of Plus Asijaya Island Sdn. Bhd. when Plus Asijaya Pahang Sdn Bhd joined venture with Ikkhasas Group on 27 July 2017. 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 in Fuji Technology Sdn. Bhd. Her role was to direct team of engineers to provide solution, design and support for multi air conditioning system for Building. She was also responsible for assessment and 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 any 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.

Convictions for 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

joined the Company as the
Chief Financial Officer on

1 October 2007

Nationality



•

Gender



•

Aged

56

Mr. Lee 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 30 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 any 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 (2021: 7,000 units), no conflict of interest has arisen during the financial year under review.

Convictions for Offences

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

SUSTAINABILITY STATEMENT

ABOUT ATRIUM REIT

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. The Manager is mainly responsible for the overall management and administration of the Trust, including the asset enhancement and capital management initiatives. The Manager’s office is located in Cheras, Kuala Lumpur.

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.

ABOUT SUSTAINABILITY STATEMENT

The Manager is responsible for evaluating overseeing and handling sustainability concerns, ensuring their disclosure to stakeholders in accordance with the requirements of Bursa Malaysia Berhad. This Sustainability Statement offers an overview of the sustainability performance for the fiscal year that ended on 31 December 2023 (“FY2023”).

In addition to enhancing Environmental, Social and Governance (“ESG”) performance across its operations, Atrium REIT aims to foster a sustainability-centered organizational culture. This involves extending sustainability initiatives throughout its value chain, engaging suppliers, and collaborating with business partners.

Looking ahead, the Manager intends to further embed non-financial considerations into its business strategies. This acknowledgment arises from the growing importance of these factors to Atrium REIT’s overall business performance and the potential for long-term value creation.

Frameworks Applied

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

- Bursa Malaysia’s Sustainability Reporting Guide, 2nd edition (and its supporting toolkits);
- Bursa Malaysia’s Main Market Listing Requirements; and
- Global Reporting Initiative (“GRI”) Standards 2020, where relevant.

BOUNDARY AND REPORT QUALITY

This Report covers the full financial year of 1 January to 31 December 2023 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.

Methodology

This Statement relies on Atrium REIT’s capacity to gather pertinent data from its property portfolio. This data adheres to the GRI principles of encompassing accuracy, balance, clarity, comparability, reliability and timeliness.

SUSTAINABILITY
STATEMENT
(CONT'D)

BOUNDARY AND REPORT QUALITY (CONT'D)

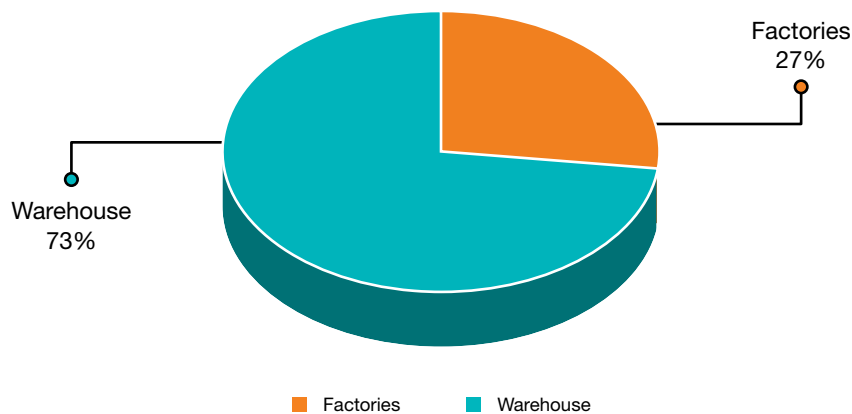
Methodology (Cont'd)

In preparing this Statement, the Manager has considered various stakeholders' perspectives, internal evaluations of significant concerns and risk factors, and taking into consideration the emerging trends and opportunities in the operating landscape. The Manager acknowledges persistent challenges in collecting data from tenants. Nevertheless, there is an ongoing commitment to establish comprehensive and prompt data collection mechanisms by engaging consistently with all stakeholders and striving to enhance disclosure practices.

Scope

The Sustainability Statement covers all properties which are based in Malaysia, unless stated otherwise. These properties comprise of factories and warehouses which are managed by the Manager summarised as follows:

Gross Net Lettable Areas Contributed by Types of Property (%)



As for the performance indicators on pages 82 to 83, the scope falls under the Manager's portfolio.

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

OUR APPROACH TO SUSTAINABILITY

Sustainability Framework

The Manager has developed a Sustainability Framework ("The Framework") that integrates sustainability principles into its operations, decision-making processes, and engagement with stakeholders. This structured approach aims to address social, environmental, and economic concerns, allowing Atrium REIT to identify and manage risks and opportunities related to sustainability matters.

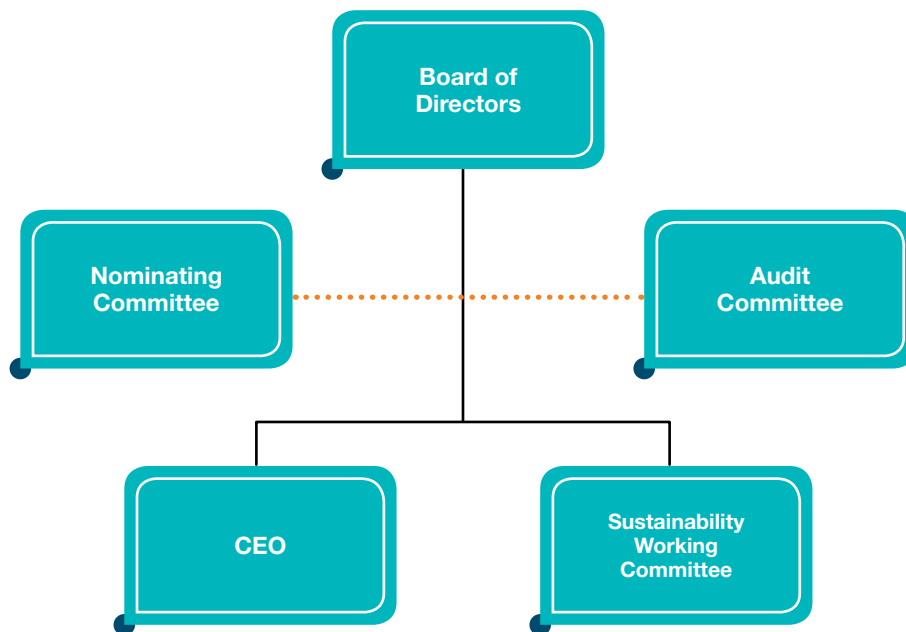
The main objectives of implementing the Framework are to achieve the following, among others:

- a. Aligning organisational goals with sustainability principles,
- b. Improving stakeholders' engagement,
- c. Enhancing risk management,
- d. Improving operational efficiency, and
- e. Supporting long-term value creation.

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 championed by the Chief Executive Officer (“CEO”) and supported by the Sustainability Working Committee (“SWC”).

*The SWC comprises the following members:



Designation	Name
Chief Executive Officer	Chan Kum Chong
Chief Financial Officer	Lee Hooi Hong
Chief Operating Officer	Ng Bee Eng
Head of Risk and Compliance	Foong Wai Leng

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

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

Roles	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Responsible for managing sustainable matters of Atrium REIT; Setting Atrium REIT's sustainability strategies, priorities, and targets that are aligned with its investment's objectives and strategies; Review and oversee climate-related risks and opportunities; Review and approve the sustainability matters identified; Review, deliberate and approve sustainability initiatives and activities as proposed by SWC; Monitor overall achievement of sustainability strategies and targets; and Ensure sustainability strategies, priorities and targets as well as performance are communicated to internal and external stakeholders.
Nominating Committee	<ul style="list-style-type: none"> Review performance of the Board and Senior Management in addressing Atrium REIT's material sustainability risks and opportunities.
Audit Committee	<ul style="list-style-type: none"> Identify, assess, and manage climate-related risks and ensure that such risks are integrated into Atrium REIT's overall risk management.
Sustainability Working Committee ("SWC")	<ul style="list-style-type: none"> Engage stakeholders to obtain feedback and views on material sustainability matters, in order to refine Atrium REIT's sustainability strategies, priorities and initiatives; Assess material sustainability matters, initiatives and activities to manage governance, environmental and social risks and opportunities for approval of the Board; Implement sustainability initiatives, activities and method of implementation as approved by the Board; Work closely with Audit Committee in identifying potential climate-related risks and opportunities; Carry-out Materiality Assessment based on the data collected for monitoring and managing economic, environmental and social risks and opportunities; Responsible for the day-to-day implementation of sustainability-related plans, initiatives and activities; CEO to update the Board on a regular basis on the progress and achievements in relation to Atrium REIT's sustainability-related plans and initiatives; and Prepare Sustainability Statement for inclusion in the Annual Report.

Stakeholder Engagement

The Manager recognizes the pivotal role stakeholders play in shaping the future. This encompasses advancements in sustainability, future business strategies/policies, and the prioritization of significant sustainability concerns.

A notable aspect of stakeholder engagement was the utilization of technology to enable remote participation and online voting for remote unitholders during the Eleventh Annual General Meeting ("AGM"). This measure aimed to prevent crowding and curb the spread of the Covid-19 pandemic. The successful conduct of the virtual AGM has prompted the decision to continue employing this approach for future AGMs.

SUSTAINABILITY
GOVERNANCE STRUCTURE
(CONT'D)

Stakeholder Engagement (Cont'd)

Atrium defines stakeholders as follows:

1. Unitholders and investors;
2. Trustee;
3. Tenants;
4. Suppliers, contractors, bankers, service providers;
5. Board of Directors and employees;
6. Regulatory and authorities; and
7. Public individuals.

No.	Stakeholders	Engagement Platforms	Concerns/ Expectations	Engagement channel
1.	<ul style="list-style-type: none"> • Unitholders • Investors • Public individuals 	<p><u>Annually:</u></p> <ul style="list-style-type: none"> • General meeting • Annual Report <p><u>Quarterly:</u></p> <ul style="list-style-type: none"> • financial report and announcements <p><u>As needed:</u></p> <ul style="list-style-type: none"> • announcement on specific event 	<ul style="list-style-type: none"> • Income distribution • Adopt good corporate governance practices 	<ul style="list-style-type: none"> • Annual general meeting, • Annual report, • interim financial announcement, • Corporate announcement, • Meeting with analysts, fund managers and investors, • Website.
2.	Trustee	<p><u>Annually:</u></p> <ul style="list-style-type: none"> • General meeting • Annual Report <p><u>Quarterly:</u></p> <ul style="list-style-type: none"> • financial report and announcements <p><u>As needed:</u></p> <ul style="list-style-type: none"> • notification and seeking approval on required business transactions 	<ul style="list-style-type: none"> • Sustainable growth and fund stability 	<ul style="list-style-type: none"> • Annual general meeting, • Extraordinary general meeting, • Website.
3.	Tenants	<p><u>Annually:</u></p> <ul style="list-style-type: none"> • Tenant Satisfaction survey <p><u>Quarterly:</u></p> <ul style="list-style-type: none"> • Building inspection <p><u>As needed:</u></p> <p>Meeting with facility team</p>	<ul style="list-style-type: none"> • Business sustainability and growth • Health and safety environment • Sensitive to tenant's needs 	<ul style="list-style-type: none"> • Contract agreements, • Regular meetings, • Direct and immediate communication via email and electronic channels, • Joint inspection with property managers, • Receive regular / annual feedbacks, • Perform Tenant's Satisfaction Survey (Annually)

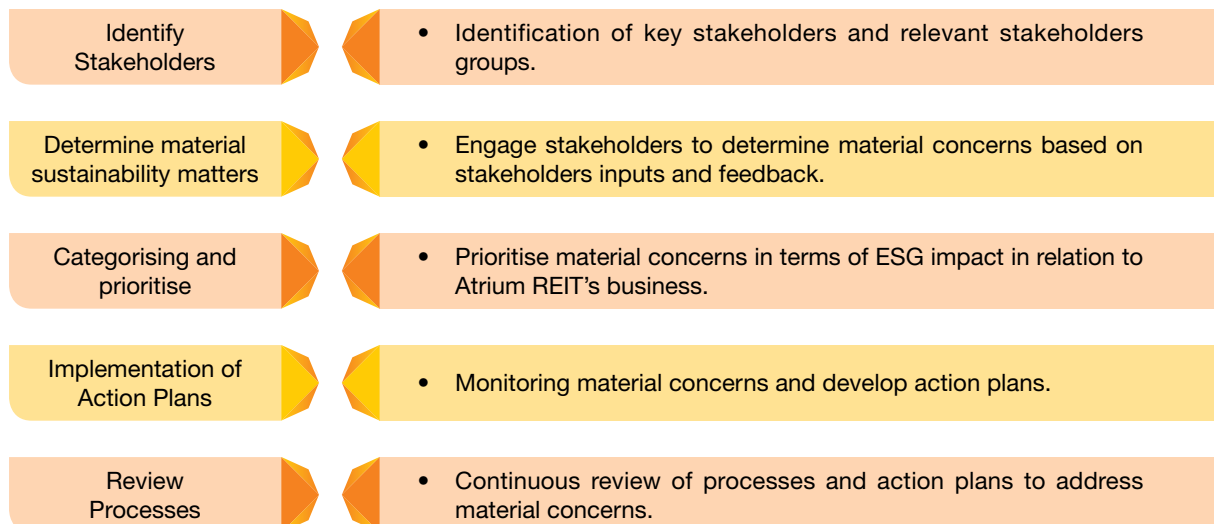
SUSTAINABILITY
GOVERNANCE STRUCTURE
(CONT'D)

Stakeholder Engagement (Cont'd)

No.	Stakeholders	Engagement Platforms	Concerns/ Expectations	Engagement channel
4.	<ul style="list-style-type: none"> Suppliers Contractors Service Providers 	<u>As needed:</u> Meetings	<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
5.	<ul style="list-style-type: none"> Board of Directors Employees 	<u>Annually:</u> <ul style="list-style-type: none"> Annual event <u>Quarterly:</u> <ul style="list-style-type: none"> Board meeting Training Corporate announcement <u>On-going:</u> <ul style="list-style-type: none"> Meetings emails 	<ul style="list-style-type: none"> Good corporate governance practices Avail to business opportunities Meeting investment objectives Fair remuneration 	<ul style="list-style-type: none"> Training and development opportunities Job appraisal Benefits package Company interest
6.	Regulatory Authorities	<u>As needed:</u> <ul style="list-style-type: none"> Training, workshop, conference Emails 	<ul style="list-style-type: none"> Compliance with all regulatory requirements Managing ESG risks 	<ul style="list-style-type: none"> Attending talks and conferences organised by regulators Implementing policies instituted by the regulators

Materiality Assessment

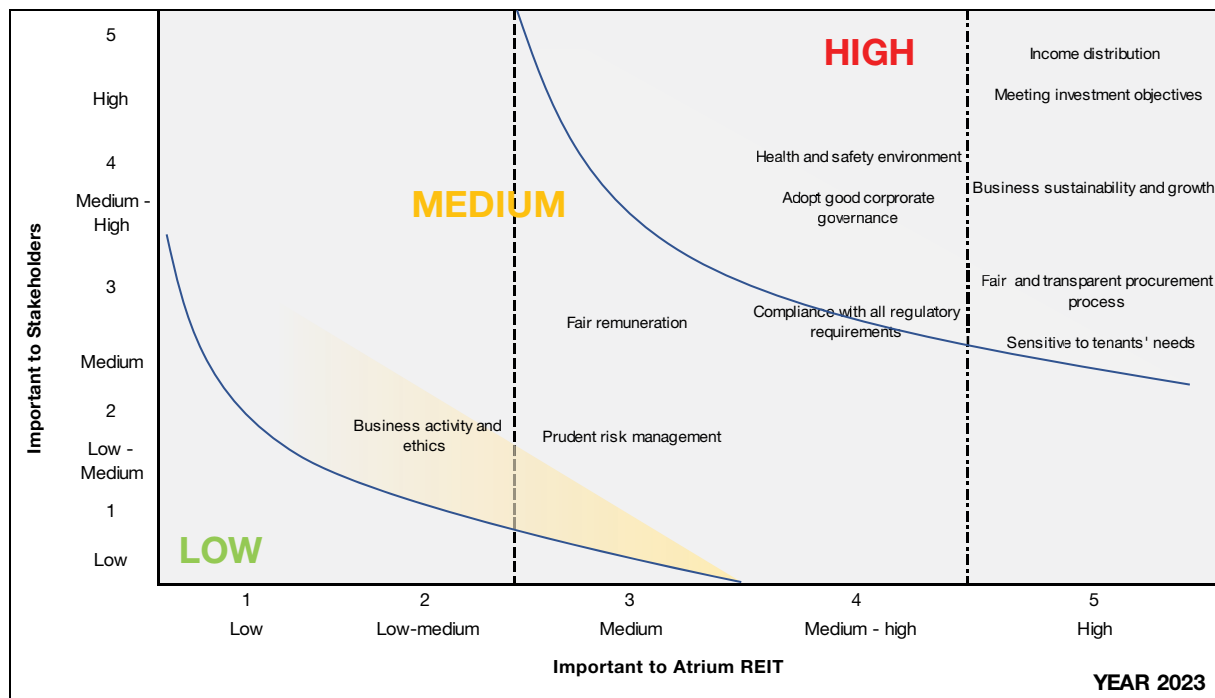
Building strong relationships with stakeholders is of utmost importance for Atrium REIT to ensure that our sustainability efforts align with the Manager's strategies and objectives. As a result, Atrium REIT has established a five-step process for identifying and prioritizing materiality. This approach ensures that the selected material concerns genuinely encompass the broader issues and impacts experienced or generated by our business activities.



SUSTAINABILITY
GOVERNANCE STRUCTURE
(CONT'D)

Materiality Assessment (Cont'd)

The Manager recognizes that our material concerns can substantially impact our ability to create long-term value for our stakeholders, directly and indirectly. To address their concerns, the Manager has conducted a materiality assessment with our key internal and external stakeholders. The outcomes are illustrated in the graph below:



No	Sustainability Matters	Governance	Environment	Social
1.	a) Income distribution	√		
	b) Meeting investment objectives			
2.	Business sustainability and growth		√	
3.	Health and safety environment		√	√
4.	Fair and transparent procurement process	√		
5.	Sensitive to Tenants' needs			√
6.	Adopt good corporate governance	√		
7.	Compliance with regulatory requirements	√		

SUSTAINABILITY
GOVERNANCE STRUCTURE
(CONT'D)

Materiality Assessment (Cont'd)

The Manager identified and assessed the stakeholders and the areas of concerns accordingly. The management strives to ensure these concerns are attended to and mitigated its negative impacts. The ranking of the areas of concerns are depicted as above. It can be briefly categorised as follows:

No	Sustainability Matters	Manager's Priorities
1.	Income distribution	Ensuring alignment between Atrium REIT's investments and the objectives while delivering rewarding outcomes to unitholders is of paramount importance.
	Meeting investment objectives	Consistent and timely communication of business developments to these unitholders, alongside other stakeholders, should be upheld. These communication channels encompass quarterly reporting, media announcements, general meetings, and various other means.
2.	Business sustainability and growth	Creating a sustainable and continually growing business strategy is essential. Before making any decisions, it's crucial to thoroughly and diligently evaluate any potential investment opportunities.
		While rental rates are appraised to align with market standards, it's equally important to evaluate the viability of prospective tenants' businesses. Beyond conducting due diligence exercises, the Manager will consider various factors affecting the sustainability of tenants' ventures, including industry type, credibility, business profile, and other pertinent indicators. Staying updated on any news or developments that could potentially impact the concerned industries is imperative for the Manager.
3.	Health and safety environment	As part of corporate responsibility, ensuring the safety and health of both employees and the public is a priority. Tenant hiring processes and the appointment of employees and truck drivers, whether internal or outsourced, hold significant importance. Tenants are responsible for ensuring that their hired truck drivers receive adequate training to assurance road safety while delivering goods. Moreover, they must emphasize safety awareness within warehouse areas during goods handling. It's essential to maintain the structural integrity and condition of buildings.
		Engagement with tenants occurs through meetings, tenant satisfaction surveys, periodic property inspections, among other means. The Manager has not received any feedback from tenants regarding accidents caused by mishandling goods or traffic incidents resulting from driver misconduct concerning road safety.
4.	Fair and transparent procurement process	Implementing fair and transparent procurement processes is a sound corporate practice. Adherence to authorized policies and procedures is paramount, ensuring compliance among relevant management personnel. The Manager ensures thorough vetting and screening of all contracts before their execution. Diligent evaluations of potential vendors and suppliers are conducted to verify their capability in fulfilling contracted obligations.
		Regular meetings and effective communication channels, including emails, are utilized to ensure the effective execution of procurement processes.

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)

Materiality Assessment (Cont'd)

No	Sustainability Matters	Manager's Priorities
5.	Sensitive to tenants' needs	The Manager highly regards feedback from tenants, particularly constructive responses received through the annual Tenants' Satisfaction Survey. Additionally, the Manager actively seeks input from tenants regarding areas where further improvements are needed. By garnering feedback and collaboration from tenants, the Manager aims to identify potential growth opportunities for the REIT and support tenants in sustaining their business ventures.
6.	Adopt good corporate governance	<p>To foster transparency, uphold ethical business practices, and ensure integrity, it's crucial to establish rigorous yet feasible operational policies and procedures for senior management and the board of directors. These standards should encompass stakeholders, including tenants, business associates, contractors, and others.</p> <p>Implementing a comprehensive employee retention program is instrumental in both attracting and retaining key personnel while curbing staff turnover. Continuous training and motivation are provided to employees to stay updated on emerging industrial practices. Employee performance is evaluated against industry standards, ensuring suitable recognition and rewards.</p> <p>While rental rates are appraised to align with market standards, it's equally important to evaluate the viability of prospective tenants' businesses. Beyond conducting due diligence exercises, the Manager will consider various factors affecting the sustainability of tenants' ventures, including industry type, credibility, business profile, and other pertinent indicators. Staying updated on any news or developments that could potentially impact the concerned industries is imperative for the Manager.</p>
7.	Compliance with all regulatory requirements	The Manager, being a licensed holder of CMSL (Capital Market Services License) is obligated to comply with requirements being imposed by Bursa Malaysia and Securities Commission, among others. Therefore, the Manager will ensure Atrium REIT complies with all the regulatory requirements at all times. Relevant conferences and forums organised by the regulators and statutory bodies are attended by the Manager on a regular basis.

GOVERNANCE

A good governance is always a pivotal point for a Company to strive for a better growth and at the same time, it does not compromise with the quality of its performance and values to the stakeholders. Throughout the year, the Manager with the support from the Board of Directors and its committees, has reviewed and implemented pertinent policies and procedures in order to comply with the current requirements and practices.

1. Policies and Procedures

The following reviews and updates of the policies and procedures are summarised as follows:

Types of Policies and Procedures	Description
a. Conflict of Interest	This Policy was established to ensure that actual, potential and perceived conflicts of interest are identified and managed effectively. It is intended to provide guidance in managing situations where conflict of interest situations may arise.
b. Technology Risk Management	This Policy was established to set guidelines to respond to any cyber incident. The guidelines comprise of timely, effective identification of cyber incidents, to manage and minimise damage from cyber incidents, and to recover and learn from such incidents.
c. Sustainability Framework	This sustainability framework is to guide Atrium REIT Managers (“ARM”) in integrating sustainability principles into its operations, decision-making process and stakeholders’ engagement. It is to provide a structured approach for addressing social, environmental and economic issues, and enables ARM to identify and manage risks and opportunities associated with sustainability matters.
d. Data Collection Policy	<p>The purpose of this Policy is to outline the guidelines for the collection of data from tenants for Environmental, Social, and Governance (ESG) reporting.</p> <p>This Policy applies to all tenants occupying properties owned by Atrium REIT and managed by Atrium REIT Managers Sdn. Bhd. and is designed to ensure the collection of accurate and complete data that can be used for ESG reporting.</p>

The policies and standard operating procedures are constantly reviewed by the Senior Management to ensure they are up-to-date, and relevant under the current working environment.

In order to ensure that current practices are in line with the Manager’s sustainability policies and procedures, the Nominating Committee also reviews the performance of the Board and Senior Management in addressing the Manager’s material sustainability risks and opportunities on an annual basis.

GOVERNANCE
(CONT'D)**2. Tenant's Satisfactory Survey**

The Manager recognizes that Atrium REIT's success hinges greatly on fostering close relationships with its esteemed tenants, comprehending their needs, and being responsive to them. Consequently, the Manager conducted a basic survey, gathering valuable feedback from the tenants, categorized into three aspects, as outlined below:

Types of Policies and Procedures	Description
a. Repairs and Maintenance	<ul style="list-style-type: none"> - The channel of request for repair/ maintenance - The efficiency and proper of repair/ maintenance work done - The quality of work done - The competency of appointed contractors
b. Condition of the Property, and	<ul style="list-style-type: none"> - Satisfactory of the condition of the properties - Satisfactory of the condition of the fittings and fixtures
c. Communication with Landlord	<ul style="list-style-type: none"> - Effectiveness and efficiency of the communication channel with Landlord - Competency of the person liaison appointed by the Landlord

The tenant's satisfactory survey was conducted using questionnaires, and the Manager acknowledged all feedback received and were given thoughtful response. The majority of the feedback received were positive, and the Manager was gratified with the tenants' cooperation and supports provided to our maintenance team throughout the year. Nevertheless, we remain committed to achieving even higher standards in serving our esteemed tenants as a top priority.

ENVIRONMENTAL

1. Initiatives by Tenants

The Manager is grateful for the awareness shown by certain tenants regarding the significance of embracing sustainable practices. This includes their proactive efforts in initiating various measures to safeguard the environment.

Flood Control

Addressing flood control is pivotal in safeguarding properties located in flood-prone areas. One effective measure is the installation of floodgates, a crucial infrastructure component that helps mitigate the risks associated with flooding.

Floodgates serve as a protective barrier, controlling the flow of water and preventing inundation into vulnerable areas. By strategically installing floodgates on flood-prone properties, we can significantly reduce the impact of flooding, safeguarding structures, belongings, and, most importantly, ensuring the safety of inhabitants. These floodgates are designed to activate automatically or manually in response to rising water levels, effectively sealing off entry points vulnerable to flooding. They act as a shield, providing a reliable defence against the devastating effects of inundation. Moreover, the installation of floodgates demonstrates a proactive approach to disaster preparedness, enhancing the resilience of communities against the adverse effects of natural disasters like floods. It serves as an investment in safeguarding properties and preserving the well-being of individuals residing in flood-prone areas.

Incorporating floodgates as part of flood control measures showcases a commitment to protecting lives and properties, offering peace of mind to residents and businesses alike while fortifying against the unpredictability of natural calamities.

Atrium Shah Alam 2 ("ASA2") – installation of flood gate

In August 2023, the Manager implemented a floodgate in ASA2, thereby reinforcing the safety measures against potential flooding during heavy rainfall. Simultaneously, the Manager expanded the insured areas surrounding the property to ensure comprehensive coverage for potential damages in case of any unforeseen incidents.

The Manager has recommended that specific tenants, especially those whose premises are susceptible to flooding, to install floodgates around their compounds. This precautionary measure aims to protect the goods stored in warehouses from potential flood damage. Working in collaboration with the Property Manager, the Manager assisted these tenants by identifying skilled contractors capable of meeting their needs and requirements. Extensive studies and analyses were conducted to ensure comprehensive flood prevention measures are properly addressed and implemented.

Energy Management

A. Installation of solar panels:

The installation of solar panels has become a significant avenue for energy savings and sustainability across residential, commercial, and industrial sectors. The adoption of solar photovoltaic (PV) systems generates a multitude of benefits, foremost among them being substantial energy savings. The common energy-saving benefits generally associated with solar panel installations are as follows:

- I **Reduction in Electricity Bills:** One of the primary advantages of installing solar panels is an immediate impact on reducing electricity bills. By harnessing energy from the sun, solar panels offset a portion of the energy consumed from the grid, leading to lower electricity expenses. This reduction varies depending on the size of the solar system and the amount of sunlight available in the region.

**ENVIRONMENTAL
(CONT'D)****1. Initiatives by Tenants (Cont'd)****Energy Management (Cont'd)**

- II **Energy Independence and Stability:** Solar panels contribute to greater energy independence by generating electricity on-site. This reduces reliance on traditional fossil fuels and the grid, providing stability against energy price fluctuations and supply disruptions.
- III **Environmental Impact:** Solar energy is a clean, renewable energy source that produces no greenhouse gas emissions during electricity generation. By utilizing solar panels, households and businesses decrease their carbon footprint, contributing to a more sustainable environment and combating climate change.
- IV **Return on Investment (ROI):** While the initial cost of purchasing and installing solar panels can be significant, the long-term savings and ROI are considerable. As electricity prices rise over time, the savings from generating your own solar power increase, eventually leading to a positive return on the initial investment.
- V **Community and Economic Benefits:** Widespread adoption of solar panels leads to job creation, stimulates local economies, and fosters technological advancements in the renewable energy sector. Additionally, communities can benefit from reduced strain on the grid during peak energy demand times.

The installation of solar panels results in significant energy savings, promotes sustainability, reduces environmental impact, and offers financial benefits over the long term. As technology continues to advance and economies of scale improve, solar energy will play an increasingly crucial role in the global shift towards cleaner and more efficient energy solutions.

The manager has reviewed the existing properties to determine the potential for installing solar panels. It has been observed that the majority of these properties are not suitable for such installations due to the likelihood of disrupting tenant operations. Installing solar panels would necessitate vacating the building for a certain period of time, which is not feasible for most tenants. Even though there were hurdles to some properties, a tenant has taken initiatives to install solar panels and the result of the energy saving was remarkable.

- Atrium Bayan Lepas [Plant 2] (“ABL”) – Installation of solar panels by Lumileds Malaysia Sdn Bhd (“LMSB”)

In August 2023, LMSB, a prestigious tenant of Atrium REIT, installed solar panels (Photovoltaic system) on Plant 2 situated in the Klang Valley. The primary goal was to combat greenhouse gas emissions and reduce high energy costs. Since the installation, there has been an energy saving of 6,500 kwh or about 5% per day.

B. Adoption of Light Emitting Diode (“LED”) lighting

In recent years, the widespread adoption of LED lighting has revolutionized the way we illuminate our homes, businesses, and public spaces. LED lighting has emerged as a beacon of efficiency, sustainability, and innovation in the realm of lighting solutions, offering numerous advantages over traditional incandescent and fluorescent lighting systems.

I Energy Efficiency:

LED lighting stands out for its exceptional energy efficiency. Compared to traditional lighting, LEDs consume significantly less energy to produce the same amount of brightness. This characteristic results in lower electricity bills and reduced energy consumption, making it a cost-effective choice for both residential and commercial settings.

ENVIRONMENTAL (CONT'D)

1. Initiatives by Tenants (Cont'd)

Energy Management (Cont'd)

B. Adoption of Light Emitting Diode ("LED") lighting (Cont'd)

II Longevity and Durability:

One of the most striking features of LED lights is their longevity. LED bulbs have an impressive lifespan, often lasting up to 25 times longer than traditional incandescent bulbs. Their durability and resilience to vibrations and shocks make them ideal for various applications, reducing the frequency of replacements and maintenance costs.

III Environmental Friendliness:

LED lighting is environmentally friendly, emitting significantly lower levels of carbon dioxide and other greenhouse gases compared to conventional lighting. Moreover, LEDs do not contain toxic materials like mercury, found in fluorescent bulbs, making them easier to dispose of and less harmful to the environment.

IV Instantaneous and Flicker-Free Lighting:

Unlike some other types of lighting that require warm-up time or may flicker, LEDs instantly reach full brightness when switched on. They also eliminate the annoying flickering that can cause discomfort or strain on the eyes.

V Smart and Controllable Lighting:

Advancements in LED technology have led to smart lighting solutions that can be easily controlled and customized through smartphone apps or home automation systems. Users can adjust brightness levels, colour temperatures, and even schedule lighting operations according to their preferences.

VI Cost Savings and Return on Investment:

While the initial cost of LED bulbs may be slightly higher than traditional options, the long-term savings in energy costs and reduced maintenance expenses offer a rapid return on investment. Over time, the savings in electricity bills outweigh the initial investment, making LED lighting a financially savvy choice.

The widespread adoption of LED lighting represents a significant step towards a more sustainable and efficient future. With their energy efficiency, longevity, environmental benefits, and innovative applications, LEDs are illuminating the path towards a brighter and more eco-friendly world. The following tenant has taken initiatives to replace the lighting in the warehouse to LED.

- Atrium USJ ("AUSJ") – Installation of LED lights by Rohlig Malaysia Sdn. Bhd. ("RMSB")

RMSB, a prestigious tenant of Atrium REIT, implemented LED lighting in its warehouse in August 2022, aiming primarily to diminish energy consumption and minimize heat emission, among other objectives. This initiative by the tenant has demonstrated a considerable gross reduction in its warehouse's energy consumption in 2023 by about 24%.

ENVIRONMENTAL
(CONT'D)**1. Initiatives by Tenants (Cont'd)****Water Management**

Effective water management is paramount in preserving this invaluable resource and ensuring its sustainable use. One innovative approach to water conservation is the utilization of rainwater harvesting systems, which play a significant role in enhancing water sustainability.

Rainwater harvesting systems are a proactive method to collect and store rainwater for various purposes, reducing dependency on conventional water sources and mitigating water scarcity. These systems typically involve the collection of rainwater from rooftops or surfaces into storage tanks or reservoirs for later use.

Implementing rainwater harvesting system contributes to efficient water management by harnessing natural precipitation and repurposing it for non-potable uses such as irrigation, landscaping, toilet flushing, and even certain industrial processes. This practice not only reduces the demand on mains water supply but also minimizes runoff and soil erosion.

By incorporating rainwater harvesting system into our property can make a substantial impact on water conservation efforts. This method aligns with sustainable practices, promoting a more responsible approach to water usage while reducing the strain on municipal water systems. It further encourages environmental consciousness and resilience, especially in regions prone to drought or water scarcity.

The Manager has implemented the rain water harvest system in the newly developing property located at Shah Alam. The objective of this system installation is to salvage the rain water to make good use of the natural resources. The system has been installed in the new property located in Shah Alam (i.e. ASA4). However, the system has yet to be implemented pending full operation of the property. Once it is tested and proven water consumption is significantly reduced, the Manager may plan to implement it to other properties located in Shah Alam. In future, the Manager, with the assistance from the tenant, will monitor the water consumption of the properties subsequent to the installation.

2. Energy and Water Consumption Statistics

Below are the recorded figures indicating the electricity and water consumption at each property for the fiscal year from January to December 2022 (base year) and 2023:

Electricity (kWh)

No.	Properties	2022	2023	(Decrease)/ Increase %
	(Note 1)	(Notes 2)	(Notes 3)	
1	ABL1	20,530,382	18,865,146	(8.1%)
2	ABL2	39,826,764	40,641,980	2.0%
3	ASA1	1,882,030	2,631,445	39.8%
4	ASA2	1,037,580	784,370	(24.4%)
5	ASA3	927,350	1,081,720	16.6%
6	AUSJ	284,813	215,593	(24.3%)
7	APCH	653,325	642,846	(1.6%)
	Total	65,142,244	64,863,100	(0.4%)

ENVIRONMENTAL (CONT'D)

2. Energy and Water Consumption Statistics (Cont'd)

Water (m³)

No.	Properties	2022	2023	(Decrease)/ Increase %
	(Note 1)	(Notes 2)	(Notes 3)	
1	ABL1	166,664	158,760	(4.7%)
2	ABL2	312,709	309,655	(1.0%)
3	ASA1	40,352	31,036	(23.1%)
4	ASA2	12,084	10,953	(9.4%)
5	ASA3	1,613	1,567	(2.9%)
6	AUSJ	7,931	4,224	(46.7%)
7	APCH	30,142	30,506	1.2%
	Total	571,495	546,701	(4.3%)

Note 1: ABL 1 & 2 – Atrium Bayan Lepas; ASA 1, 2 & 3 – Atrium Shah Alam; AUSJ – Atrium Subang USJ, and APCH – Atrium Puchong.

Note 2: the Units consumption have been updated for December 2022.

Note 3: Figures for water consumption in December 2023 were estimated due to ongoing bill collection.

The above calculation and % changes are purely based on the comparison of utilities consumption and did not include any other factors into the calculation.

The Manager shall persistently continue to encourage its tenants to proactively engage in environmental protection schemes or programmes aimed at mitigating global warming and reducing greenhouse gas emission, in addition to meeting regulatory compliance requirements.

SOCIAL

Social encompass a company's impact on society, including its relationships with employees, communities, and broader societal concerns. It delves into various aspects that reflect a company's commitment to social responsibility and positive contributions to the welfare of society.

This statement highlights the social events, employee learning and skill enhancement, initiatives related to diversity, equity, and inclusion within the workforce, showcasing efforts to promote a fair and inclusive workplace culture. Additionally, it encompasses employee welfare programmes within the Manager's operations and supply chain. It showcases the Manager's efforts in supporting local communities through charitable initiatives aimed at addressing social issues, such as education, healthcare and poverty mitigation.

1. Excellency Awards Achievements

On 4 September 2023, Atrium REIT was privileged to be honoured with recognition from The Edge Centurion Club. This esteemed award, designated for small and mid-sized public listed companies (with less than RM1 billion valuation) in the REIT industry, acknowledged our outstanding performance in delivering "Highest Returns to Shareholders (Unitholders)" over a three-year period, spanning from 2020 to 2022.

Our exceptional accomplishments owe credit to the cohesive teamwork and collaborative efforts among our workforce, in tandem with the strategic and mutually supportive alliances forged with our esteemed tenants. These foundational elements have played a pivotal role in propelling our exceptional performance, particularly during challenging times, notably during and post pandemic era.



From left to right: Kathy Fong (Editor-In-Chief of The Edge Malaysia), Dato' Abdul Rahman Ahmad (Group Chief Executive Officer of CIMB Group Holdings Bhd.), Mr. Chan Kum Chong (Chief Executive Officer of Atrium REIT Managers Sdn. Bhd.), Steven Sim ([former] Deputy Minister of Finance II, Human Resources Minister [current]), and Dato' Ho Kay Tat (Publisher and Group Chief Executive Officer of The Edge Malaysia)

2. Gratitude Luncheon with Outgoing Independent Directors

In recognition of the outstanding stewardship and insightful counsel from the outgoing independent directors, the Manager hosted a special gratitude luncheon to express its sincere appreciation for their enduring commitments and invaluable contributions to the Atrium REIT since its listing in 2007. The luncheon was a momentous occasion, attended by the executive team, board members and key stakeholders, where we celebrated their exceptional leadership and unwavering supports.

At the luncheon, the Manager took the opportunity to express its gratitude for their exceptional industry knowledge, dedication and acknowledged the pivotal roles they played in steering Atrium REIT and the Manager towards continued success. It was a heartfelt gathering filled with sadness, gratitude, respect, and admiration for their remarkable contributions.



from left to right: Mr. Chan Wan Seong, Independent Director, Mr. Tor Peng Sie, Outgoing Independent Director, Mr. Chng Boon Huat, Independent Director, Mr. Chan Kum Chong, Chief Executive Office and Ms. Wong Sui Ee, Executive Director.

SOCIAL
(CONT'D)**3. Contribution to Food Bank**

In our commitment to corporate social responsibility and giving back to society, we took a proactive step to support the vital work carried out by the Food Aid Foundation ("FAF"). FAF, as a food bank in Malaysia, is a non-profit governmental organization (NGO) incorporated in 2013 where manufacturers, distributors, wholesaler, retailers, companies or people can donate their unused or unwanted foods which will then be collected and distributed to charitable/welfare homes, volunteer welfare organisation, refugees' communities, poor families, destitutes and soup kitchens. Through our generous contributions, the Manager donated 170 Kg of rice to aid in the fight against hunger and food insecurity for the poor and less fortunate.

This donation has had a tangible impact on those in need within our community. The Food Aid Foundation is serving 139 welfare organisations within the Klang Valley. It helped to provide prepared meals to approximately 500 to 1,000 people daily.

As we continue our journey forward, let us remain steadfast in our commitment to serving the community and creating a meaningful impact to the society. Together, we have demonstrated the power of collective action in fostering a brighter and more compassionate future for all.



from left to right: En Izzul Nordin/Program and CSR Manager of Food Aid Foundation ("FAF"), Mr. Chan Kum Chong, CEO of Atrium REIT Managers Sdn Bhd and Mr. Neoh Kean Soon, Operations Manager of FAF

SOCIAL
(CONT'D)**4. Appreciation Luncheon with Management and Staff**

In a year marked by challenges and triumphs, our team's resilience and dedication have been the cornerstone of our success. The Manager hosted a simple and yet memorable Appreciation Luncheon on 21 December 2023 held at one of the elegant restaurants at Pavilion Kuala Lumpur, honouring their outstanding contributions and commitment.

Throughout the luncheon, there were moments of reflection on our collective achievements, highlighting the milestones reached and the exceptional teamwork demonstrated among the team. It was a time to acknowledge the dedication and perseverance that have been instrumental in our continued growth and success.

As we conclude this year and look forward to new horizons, we carry with us the gratitude and appreciation for the team. Their dedication remains the driving force behind our accomplishments, and we eagerly anticipate further milestones together in the coming year. We extend our heartfelt thanks to the team for their persistent dedication and contributions, and we remain committed to fostering an environment where each individual feels valued, empowered, and appreciated.



From left to right: Ms. Ng Bee Eng, Chief Operating Officer, Ms. Wong Sui Ee, Executive Director, Ms. Chin Suet Fan, Accounts Executive, Mr. Mark Lee, Chief Financial Officer, Ms. Lydia Foong, Executive Director, and Mr. Chan Kum Chong, Chief Executive Officer.

SOCIAL
(CONT'D)**5. Training and Development**

The Manager of Atrium REIT has achieved its business objectives and reached greater heights over the years. The Manager believes in motivating and encouraging staff to continually improve themselves through training programmes and professional development. The combination of various type of skillsets, qualifications and experience possessed by the respective staff allow the workforce and the Board to adapt and thrive in a fast-evolving marketplace.

The Manager is cognizant of its key assets – the workforce. Hence, it is its priority to ensure that staff are well trained and kept abreast of the latest industry development. The Manager will continue to source for suitable professional and technical courses to develop staff competency and expertise. The Manager believes continuous professional development and management training courses would help the growth of Atrium REIT's performance and to achieve greater heights.

The training courses attended by the employees during FYE 2023 are summarised as follows:

No.	Course Title	Organiser	Strategic Management	Professional Development	Attended by:	Cumulative Hours by Participants
1.	5G Economics	CHK Consultancy Sdn Bhd	√		SM	20
2.	ChatGPT: A Game-Changer for Wealth Manage and Investors: Maximising Returns through Intelligent Investment Decisions	CHK Consultancy Sdn Bhd	√			10
3.	Fraud and Financial Scandals: Trends, Red Flags, and Mitigations	MIA		√	SM	21
4.	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)	Tricor		√	All	12
6.	Inflation, Financial Crises and Currency War	CHK Consultancy Sdn Bhd	√		SM	10

SOCIAL
(CONT'D)**5. Training and Development (Cont'd)**

No.	Course Title	Organiser	Strategic Management	Professional Development	Attended by:	Cumulative Hours by Participants
9.	Building Interactive Reports and Dashboard using Microsoft Excel for Accountants	MIA		√	E	14
11.	MIA Digital Month 2023 - Week 3: Success Storie	MIA		√	SM	2
12.	MIA Digital Month 2023 - Week 4: Digital Accountant: Digital Skills in a Transformed World	MIA		√	SM	2
6.	Inflation, Financial Crises and Currency War	CHK Consultancy Sdn Bhd	√		SM	10
13.	Rise of the Chatbots: Artificial Intelligence and The Future Of Accounting	MIA		√	SM	2
14.	2023 Budget Seminar	MIA		√	SM	8
15.	MIA Town Hall 2022/23 - Session 3 (All Sectors)	MIA		√	SM	3
16.	Unlocking the Power of Audit Data Analytics: Maximizing Value and Overcoming Implementation Challenges	IIAM		√	SM	2
17.	Integrating ESG into Organisational Financial Reporting Framework	MIA		√	SM	7
18.	The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting	MIA		√	SM	2

SOCIAL
(CONT'D)

5. Training and Development (Cont'd)

No.	Course Title	Organiser	Strategic Management	Professional Development	Attended by:	Cumulative Hours by Participants
20.	GHG Accounting Essentials - Measuring Your Carbon Footprint	ACCA		√	SM	2
21.	Addressing challenges in implementing ISSB™ Standards	KPMG		√	SM	2
22.	ASLI Banking & Finance Summit 2023	ASLI (Asian Strategy Leadership Institute)	√		SM	8
24.	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees	SC		√	SM	2
25.	IR4U Program by Securities Commission	Bursa Malaysia Berhad		√	SM	2
26.	MFRS Updates 2023	KPMG		√	SM	2
Total						133

Acronym:

ACCA : the Association of Chartered Certified Accountants

E : Executive

ESG : Environmental, Social and Governance

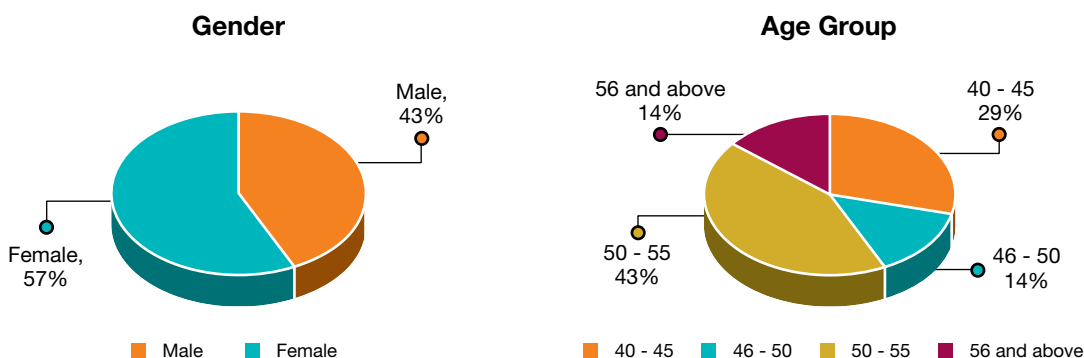
MIA : Malaysian Institute of Accountants

SC : Securities Commission Malaysia

SM : Senior Management

SOCIAL
(CONT'D)

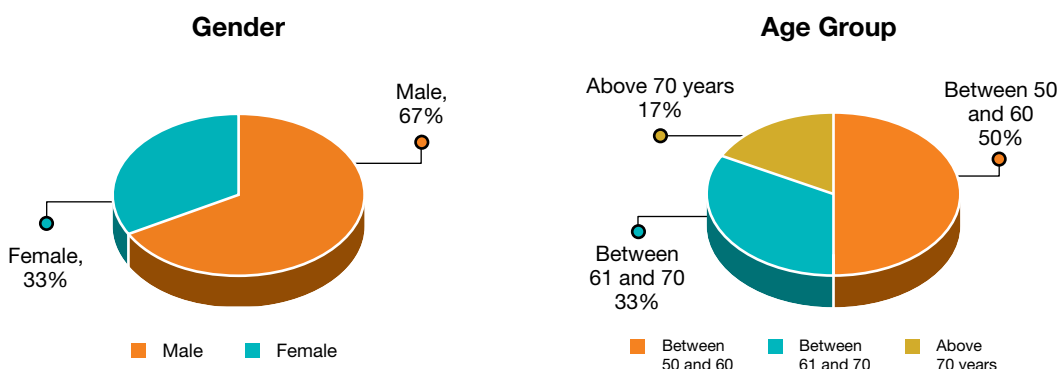
6. Diversity



There was no staff turnover during the financial year of 2023. The Manager successfully achieved 100% retention ratio (2022: 100%).

Percentage of directors by gender and age group

Gender	%	Age Group	%
Male	67%	Above 70 years	17%
Female	33%	Between 70 and 61 years	33%
		Between 60 and 50 years	50%



In accordance with the recent revised Securities Commission’s Guidelines on Listed Real Estate Investment Trusts, the tenure of an Independent Director in any management company or related corporation of the management company shall be restricted to a cumulative period of 12 years starting from the date of his/her first appointment. Independent Directors who have exceeded the 12-year tenure must either tender their resignation or be re-designated as Non-Independent Directors. This guideline was effective on 1 June 2023.

Consequently, the Manager has conducted a thorough evaluation of the Board’s composition and skillset. Three (3) Directors who had reached the 12-year tenure mark have voluntarily resigned. In view of the above Board changes, one (1) new Independent Director was appointed to the Board on 15 May 2023 to ensure that the Board remains effective, with an appropriate mix of skills, knowledge and experience. The Board, in collaboration with the Nominating Committee, has diligently assessed the competency and skillsets of the existing Board members, and the outcome of the assessment was considered adequate and satisfactory.

This Sustainability Statement was made in accordance with the approval of the Board on 22 February 2024.

Performance Indicators – Target and Achievements

Indicator	Measurement Unit	2022	2023
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
- Senior Management	Percentage	100.00	100.00
- Executive	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	–	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Percentage	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	–	1,001.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	–	139
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Senior Management Under 50	Percentage	33.00	33.00
Senior Management Between 59-50	Percentage	50.00	50.00
Senior Management Above 60	Percentage	17.00	17.00
Executive Under 50	Percentage	100.00	100.00
Executive Between 59-50	Percentage	0.00	0.00
Executive Above 60	Percentage	0.00	0.00
Gender Group by Employee Category			
Senior Management Male	Percentage	50.00	50.00
Senior Management Female	Percentage	50.00	50.00
Executive Male	Percentage	0.00	0.00
Executive Female	Percentage	100.00	100.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	75.00	67.00
Female	Percentage	25.00	33.00
Under 60	Percentage	25.00	50.00
Between 69-60	Percentage	37.00	33.00
Above 70	Percentage	38.00	17.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption *	Megawatt	–	20.82
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	–	0
Bursa C5(b) Lost time incident rate (“LTIR”)	Rate	–	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	–	0

Performance Indicators – Target and Achievements (Cont'd)

Indicator	Measurement Unit	2022	2023
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Senior Management	Hours	98	119
Executive	Hours	7	14
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0	0
Bursa C6(c) Total number of employee turnover by employee category			
Senior Management	Number	0	0
Executive	Number	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	–	94.00
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Water)			
Bursa C9(a) Total volume of water used *	Megalitres	–	0.150000

Notes

- * Bursa C4(a) Total Energy Consumption in Megawatt was obtained by dividing 20,818 kWh by 1,000.
- * Bursa C9(a) Total volume of water used in Megalitres was obtained by dividing 151 m³ by 1,000.
- information was not available/ captured.

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 the overview application of Corporate Governance Statement to its stakeholders in accordance with the Malaysia Code on Corporate Governance (“MCCG”). This Statement 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.

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 Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENES

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 strategic direction of Atrium REIT and to provide recommendations to Pacific Trustees Berhad as Trustee of Atrium REIT (“Trustee”), on any acquisition, divestment or enhancement initiatives of investment properties for 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 and on normal commercial terms;
- (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, it 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.

Directors of the Manager (“the Board”)

The Board is responsible to oversee the performance 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.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENES (CONT'D)****Directors of the Manager ("the Board") (cont'd)**

To further strengthen the corporate governance of the Manager and promoting transparency and accountability, the Manager established and updated the following policies and procedures which were subsequently reviewed and endorsed by the Board during the year:

- a) Updated Conflict of Interest Policy,
- b) Sustainability Framework,
- c) Technology Risk Management Policy, and
- d) Updated Risk Register.

The issuance of the above policies and procedures would further strengthen the corporate governance and enhance the efficiency and effectiveness of the Manager's operating processes.

Roles and Responsibilities

1. The Board has the overall responsibility for the long-term success of Atrium REIT and delivery of sustainable value to its stakeholders. In discharging its fiduciary duties and responsibilities, the Board assumed the following corporate governance guidelines: -
 - a) together with management, promoting good corporate governance culture which reinforces ethical, prudent and professional behaviour;
 - b) reviewing and setting strategic plans for the Manager to ensure that the strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations underpinning sustainability;
 - c) reviewing, challenging and deciding on management's proposals, and monitoring its implementation by management;
 - d) overseeing the conduct of business to ensure it is properly managed, including supervising and assessing corporate behaviour and conduct of the business;
 - e) identifying the principal risks and ensuring implementation of appropriate internal controls and mitigation measures to achieve a proper balance between risks incurred and potential returns to the unitholders;
 - f) reviewing the risk management and internal control system and ensure their effectiveness;
 - g) ensuring there is an orderly succession of senior management positions who are of high caliber and have the necessary skills and experience. The Board delegates to the Nominating Committee ("NC") to review succession plans for the Directors as well as the Manager's policies and procedures of the Manager. The Board also ensures that there are appropriate policies for training, appointment and performance monitoring of management positions;
 - h) developing and implementing an investor relations programme or unitholders' communications policy for the Manager to enable effective communication with stakeholders;
 - i) reviewing and approving financial statements;
 - j) reviewing and approving the reports of Audit Committee ("AC") and NC at the end of each financial year;
 - k) reviewing and approving the AREIT annual report;
 - l) ensuring the integrity of the AREIT's financial and non-financial reporting; and
 - m) undertaking a formal and objective annual evaluation to determine the effectiveness of the Board, the Board Committees and each individual Director.

2. The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters: -
 - a) Strategic issues and planning, including sustainability;
 - b) Budget and performance reviews;
 - c) Quarterly financial results and audited financial statements;
 - d) Dividend policy or declaration of dividends;
 - e) Capital expenditures;

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENES (CONT'D)

Roles and Responsibilities (cont'd)

2. The Board reserves a formal schedule of matters for the Board's deliberation and approval. This includes, among others, the following matters: - (cont'd)
 - f) Material borrowings;
 - g) Material litigations;
 - h) Treasury policies;
 - i) Key human resources issues;
 - j) Material acquisitions and disposals of undertakings and properties;
 - k) Proposed appointment of external auditors and their audit fees;
 - l) New venture; and
 - m) Related party transactions ("RPT"), recurrent RPT and conflict of interest situations, which includes any arrangements for the consultants who are employees of the Group to perform consultations and treatments in other medical center outside the Group and any other transaction, procedures or course of conduct that raises question on management integrity and any recommendations relating thereto as set out in paragraphs 9.10 and 9.11 of the Terms of Reference of AC.

3. The Board has to ensure that the Manager and its directors adhere to the following: -
 - a) The management and the directors must provide the Board with any information requested by the Board to enable the Board to oversee the performance of the Trust effectively, including assessing non-financial performance of the Trust;
 - b) The management and the directors must cause to be kept the accounting and other records to: -
 - I. sufficiently explain its business, transactions and financial position;
 - II. enable the preparation of true and fair financial statements; and
 - III. enable the accounting and other records to be conveniently and properly audited.
 - c) The management and the directors must provide the Trust with all information and records necessary to enable the preparation of the consolidated financial statements in accordance with the approved accounting standard.

The information and records required under 3 (b) and (c) shall be kept for not less than seven (7) years from the completion off transactions or operations to which the entries or records relate.

4. In relation to financial reporting, the Board is responsible to present an accurate and reliable financial result through the annual financial statements and quarterly financial reports. The Board is assisted by the AC to oversee the Trust's financial reporting process and the integrity of the financial information.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(CONT'D)

**PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENES (CONT'D)**

Board Composition

During the financial year, the Board composition was refreshed with the appointment of one (1) new Independent Non-Executive Director and the resignation of three (3) long-serving Independent Non-Executive Directors, to ensure that the Board continues to have an appropriate mix of skills, knowledge and experience in fulfilling its overall responsibilities.

The Board presently consists of six (6) members comprising one (1) Non-Independent Non-Executive Director, two (2) Executive Directors and three (3) Independent Non-Executive Directors. The current Board which comprises half of independent directors has also met the minimum requirement of 30% women directors under the “Guidelines on Corporate Governance for Capital Market Intermediaries” issued by the Securities Commission Malaysia. The Board’s composition which comprises 30% women directors also complied with the recommendation of the MCCG, and that the tenure of all our independent Directors have not exceed the 12 years limit.

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. All directors are not involved in any political parties and they are not active politicians. The profiles of the members of the Board are provided on pages 51 to 55 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)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENES (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 Directors and the Chief Executive Officer, supported by the management team are responsible for running the business on a day-to-day basis, organisational 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, among others, such as: -



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.

Directors' Training

The Board also ensures that all Directors have attended relevant training programmes on a continuous basis, in accordance with Paragraph 15.08(2) of the Listing Requirements, to keep abreast with the latest developments in the industry. During the financial year, the Directors have attended various courses, seminars and briefings related to their responsibilities and developments in the industry, which were disclosed in details under "Other Compliance Information" in this annual report.

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.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A:
BOARD LEADERSHIP AND EFFECTIVENES (CONT'D)****Board Meetings (cont'd)**

The Board met four (4) times during the financial year ended 31 December 2023. 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	4/4
Wong Sui Ee	Executive Director	4/4
Foong Wai Leng	Executive Director	4/4
Chan Wan Seong	Independent Non-Executive Director	4/4
Chng Boon Huat	Independent Non-Executive Director	4/4
Ho Hock Heng (appointed on 15 May 2023)	Independent Non-Executive Director	2/2

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 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 has the right to seek independent professional advice, when necessary, in discharging their duties.

Board and Directors Evaluation

During the year, the Board carried out a formal annual evaluation to determine the effectiveness of the Board and individual Directors by way of questionnaires assessments while the performance of the AC was assessed by non-AC Board members to ensure objectivity and unbiasedness in its results. The questionnaires were completed by all the Directors and facilitated by the Chief Executive Office ("CEO") who acted as an independent party to compile all results of the assessments.

On 26 January 2024, the CEO presented the results of the annual assessments of the Board, individual Directors and the AC to the NC and thereafter, to the Board for deliberations. The assessments concluded that the Board was effective and responsive, and the AC had been effective in discharging its duties and responsibilities in accordance to its Terms of Reference.

Board Appointment**Resignation and Appointment of Directors**

During the financial year, the NC reviewed the Board composition including its optimum size and diversity in gender, ethnicity, skills and experience. In line with the amendments to the Listing Requirements in relation to the tenure of Independence Directors ("ID") on 19 January 2023, the Board also adopted a policy to limit the tenure of its ID to not more than a cumulative period of 12 years from the date of first appointment as an ID of the Manager.

In view of the above requirements, three (3) IDs with tenure exceeding twelve (12) years had resigned from the Board and a new ID, namely Mr. Ho Hock Heng who is sourced from the real estate industry was appointed to the Board. The three (3) resigned IDs were Mr. Soong Kwong Heng, Mr. Tor Peng Sie and Mr. How Hu Son.

CORPORATE GOVERNANCE

OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENES (CONT'D)

Remuneration Policy

The remuneration of the Directors and all employees of the Manager are paid by the Manager and not by Atrium REIT. The Board recognizes that the remuneration package is to attract, retain and motivate the Directors and senior management to carry out the Manager's and Atrium REIT's strategy and objectives to the best interest of the unitholders as well as other stakeholders. The Board believes that the current remuneration package is able to commensurate with the level of responsibilities of its Directors and Senior Management in order to manage the Manager's operations and drive its long-term objectives. Nevertheless, the Board would review the package in a timely manner so as to ensure the package is competitive and comparable against the industry norms.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

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 2023 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") comprises three (3) Independent Non-Executive Directors and the Chairman of the AC is not the Chairman of the Board. None of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. With the present Board structure and discipline, 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.

The Manager, supported by the AC, has established an External Auditor Policy to provide guidance on the assessment of the suitability, objectivity and independence of the external auditor including the appointment and re-appointment of external auditor.

During the financial year, the AC has assessed and reviewed the performance and independence of the external auditor, BDO PLT and was satisfied that the external auditor has been independent throughout the conduct of the audit process and the audit services rendered have met the quality expected by AC and the Management. The performance evaluation on the external auditor was presented to the Board on 29 January 2024 for its notation.

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, the finance functions, operational risks and regulatory compliances.

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 92 to 95 of the Annual Report provides an overview on the state of internal controls implemented by the Manager.

**CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(CONT'D)****PRINCIPLE C:
INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH
STAKEHOLDERS****Communication with Unitholders and Stakeholders**

The Board acknowledges and appreciates the importance of regular communications with 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.

Conduct of General Meetings

At the last AGM, the Notice of Eleventh 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 Eleventh 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 discussions on among others, Atrium REIT's financial and non-financial performance as well as its long-term strategies and business opportunities. 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.

There was only one (1) resolution tabled at the AGM and the poll administrator and scrutineer were Tricor Investor & Issuing House Services Sdn. Bhd. and Asia Securities Sdn. Berhad respectively. The scrutineer verified and announced the poll results for the resolution, which include votes in favour and against, upon which the Chairman declared that the resolution was carried. The poll results were announced via Bursa LINK on the same day for the benefit of all unitholders. The 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 stakeholders to access its corporate information, announcements and business activities.

This Corporate Governance Overview Statement was approved by the Board on 22 February 2024.

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”), has delegated the responsibilities of the risk management and internal control framework to the Audit Committee (“AC”). Nevertheless, the Board takes overall responsibility and oversight of the Manager’s risk management framework and internal control system. The Board acknowledges that the system is intended to handle calculated and anticipated risks rather than eradicate the risks associated with non-compliance to the Manager’s policies and business objectives, all within the risk tolerance defined by both the Board and the Manager. Consequently, the system offers reasonable, though not absolute, assurance against significant misstatements, losses, fraudulent activities, or violations of laws and regulations.

For the evaluation of the Manager’s governance, risk management framework, and internal controls, the Board has appointed an external independent firm (“Internal Auditor”) to review these functions. The Internal Auditor is responsible for conducting assurance engagements and presenting their findings to the AC for evaluation, monitoring and overseeing the implementation of the Manager’s policies and procedures related to the Manager’s risk management and internal controls.. Subsequently, the AC will present these activities to the Board for acknowledgment or, where necessary, for further consideration and approval.

INTERNAL CONTROL

The Board recognizes its responsibilities to establish an adequate and effective internal control framework to align with the Manager’s business objectives which include achieving Atrium REIT’s mission and maximizing income to provide unitholders with a fair rate of return on their investments through consistent and dependable distributions, as well as striving for long-term growth in income distributions and Net Asset Value per unit.

The key features of the Internal Control System established by the Manager are as follows:

			
<p>Organisation Structure and Authorisation Procedures</p> <p>The Manager maintains a formal organisation structure with delegation of responsibilities and accountability within the Manager’s Senior Management and staff.</p> <p>It sets out the roles and responsibilities, authority limits, review and approval procedures for the Manager’s various operations.</p>	<p>Policies and Procedures</p> <p>The Manager establishes documented policies and procedures to ensure consistency and practicality in maintaining the efficiency and effectiveness of the business activities of the Manager and Atrium REIT at all times.</p> <p>The Manager strives to ensure all business processes are formalized and approved by Senior Management. Such processes are in line with the best governance practices that are designed to mitigate potential business risks by implementing an effective internal control system.</p>	<p>Financial and Operational Review</p> <p>Board meetings are held on a regular basis to discuss and review the business planning, budgeting, financial, operational performances and progression of projects.</p> <p>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 Audit Committee for review and deliberation, and to the Board for approval.</p>	<p>Business Planning and Budgeting Review</p> <p>The Board discusses and reviews the business plan, strategies, performance and challenges faced by the Manager and Atrium REIT on a quarterly basis, or as an when it is deemed necessary.</p>

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL
(CONT'D)

RISK MANAGEMENT

The Board has implemented a risk management framework designed to identify, evaluate, track, and report on risks. The Board's duties encompass the examination of the risk management framework to ensure that risks are controlled and reduced to levels deemed acceptable. The AC has been entrusted with the task of overseeing this review process on behalf of the Board.

The Manager's responsibilities include identifying and assessing the risks relevant to Atrium REIT, as well as achieving its objectives and strategies within the risk tolerance established by the Board and the Manager.

The AC annually reviews the effectiveness of the risk management framework and ensures that necessary actions have been taken or are being taken to remedy any significant failings or weaknesses identified during the review. When assessing business risks, the AC also considers the economic, environmental, and social impact, taking into consideration both financial and non-financial aspects related to the property investment industry.

The application of the risk management process is based on the general principles of an internationally recognized risk management framework. Based on the key risks identified, measures and actions are identified and implemented to minimize the possibility and impact of these risks.

The Risk Management process adopted by the Manager is as follows:



The Manager has identified potential risks which are pertinent to Atrium REIT and its investment properties. The AC has assessed and reviewed these risks at least annually, to ensure that it is managed on a timely basis. These risks and its mitigating factors can be summarised as follow:

Ref	Risk	Mitigating Factors
1.	Capital and Liquidity Risk	<ul style="list-style-type: none"> To monitor and manage cash flows on a timely manner. To keep abreast of financial updates on financing rates and requirements. To review loan covenants to ensure continuous compliance. To maintain good bankers and investors relationship.
2.	Credit Risk	<ul style="list-style-type: none"> To implement credit control measures such as close follow-up on rental arrears with tenants and maintaining good tenant relations to ensure timely rental collections. To perform due diligence to assess prospective tenants' credentials prior to commit the tenancies. To strictly adhere to the policy of collecting sufficient security deposits from all tenants which act as collateral.
3.	Acquisition and Investment Risk	<ul style="list-style-type: none"> To evaluate potential acquisitions against the approved investment criteria. To conduct due comprehensive diligence exercise prior to any acquisition.
4.	Valuation Risk	<ul style="list-style-type: none"> To use investment approach and, cost and comparison approach for checking and reference purposes. To ensure that the valuation of properties is sustainable so that the Trust's asset value, profitability and gearing will not be affected. To build strong relationship with tenants and increase tenant mix.
5.	Market Risk	<ul style="list-style-type: none"> To upgrade service level and property facilities to meet tenants' requirements.

STATEMENT ON RISK MANAGEMENT
AND INTERNAL CONTROL
(CONT'D)

RISK MANAGEMENT (CONT'D)

Ref	Risk	Mitigating Factors
6.	Operation Risk	<ul style="list-style-type: none"> To monitor the condition of the building structure, mechanical and electrical installation and fire-fighting system with the assistance from property manager periodically through half-yearly inspection, To make sure tenants conduct proper planned maintenance, To make provision for sinking funds for maintenance and replacement of mechanical and electrical installation due to normal wear and tear.
7.	Delay in Handover of Vacant Possession	<ul style="list-style-type: none"> To carry out due diligence on the contractors to be appointed to ensure that they are competent and capable of undertaking the work awarded, To monitor the progress of the project closely to ensure that the work progress is on schedule, To minimise the change in design unless critical, To trouble shoot if there is any foreseeable delay on certain work done by seeking advices from the appointed consultants accordingly, and To schedule and agree the date of vacant possession with tenant that is feasible and to omit Liquidated Ascertained Damages ("LAD") clauses in tenancy agreement, if possible.
8.	Regulatory and Compliance Risk	<ul style="list-style-type: none"> To keep abreast of new developments on listing rules and other regulatory requirements as set by the relevant statutory bodies and regulators.
9.	Cyber Risk	<ol style="list-style-type: none"> To increase size of the local server, To attend cyber security awareness courses, To ensure the outsourced IT service providers are competent to safeguard and protect all information and documents at all times. To implement tight security measures, including password, firewalls and anti-virus software. To educate employee on anti-phishing safety tips on electronic mail ("email") transmissions. <p>In view of the recent listing requirements and recommended practices proposed by Securities Commission ("SC") and Bursa, the Manager will implement the Technology Risk Management Framework under Guidance Note on Management of Cyber Incidents issued by SC on 17 November 2022. The target date for implementation would be in 2024.</p>
10.	Bribery and Corruption	<ul style="list-style-type: none"> To ensure continuous awareness of the Anti-bribery and Corruption Policy, the Manager has posted the Policy on the Company's website for easy access by employees and business associates. To conduct a systematic review on the implementation of the Adequate Procedures once in every two (2) years.
11.	Environmental, Social and Governance ("ESG") Related Risk	<p><u>Climate related risk:</u></p> <p>A. <u>Flood</u></p> <ul style="list-style-type: none"> - To ensure the drainage surrounding the premises are cleared at all times. Tenants must inform local authority in the event of clogged drains. - To encourage tenants to insure their goods and assets to minimize unnecessary damages caused by flood. - To increase sum insured and coverage on insurance pertaining to flood/ natural disaster. <p>B. <u>Water Scarcity</u></p> <ul style="list-style-type: none"> - Report to local authorities and seek their cooperation to solve any water disruption issues should it happens frequently. <p><u>ESG compliance risk:</u></p> <ul style="list-style-type: none"> - To ensure ESG Key Performance Index ("KPI") are set realistically and managed in a timely manner. - To review and update ESG KPI factors on renewal of Term Loan Agreements. - To quantify potential additional cash outflows if ESG KPIs are not likely to meet on renewal of any Term Loan Agreements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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 consideration of the current business operations and its potential 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 the AC meetings. The recommendations proposed by the Internal Auditors once approved by the AC, will be implemented accordingly by the Manager. Subsequently, the Board will be updated on the findings and recommendations of the internal audit review of the Manager's internal control system and risk management framework.

The costs of the internal audit function which was outsourced to Sterling Business Alignment Consulting Sdn Bhd amounted to RM16,500, excluding Services Tax and disbursements (2022: RM16,500, excluding Services Tax and disbursements).

The scope of the internal audit function for FY2023 comprised the following compliance reviews:

- a) Organisational Structure and Key Personnel; and
- b) Information Technology System.

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

CONCLUSION

The Board affirms that, in their assessment up to the approval of this Statement, the Manager's internal controls and risk management for the financial year are adequate and effective. The Board acknowledges that proper internal controls and risk management serve to protect the assets of Atrium REIT, the investments of Unitholders, and the interests of customers, regulators, employees and other stakeholders.

Furthermore, the Board has obtained assurance from the Chief Executive Officer and Chief Financial Officer that, to the best of their knowledge, the Manager's internal control system and risk management framework are effectively and sufficiently operating in all material aspects. This assessment is based on the framework adopted by the Manager concerning the management of Atrium REIT's operations.

REVIEWED BY EXTERNAL AUDITORS

Pursuant to paragraph 15.23 of the Main Market Listing Requirements, 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 2023. 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 (Revised November 2022)*.

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 2024.

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 2023.

The Audit Committee (“AC”) was established to assist the Manager’s Board of Directors (“the Board”) to oversee Atrium REIT’s financial reporting processes, risk management and internal control framework, governance, independence of external auditors and the effectiveness of the internal audit function. However, the ultimate responsibility of the Atrium REIT’s financial reporting process still rests with the Board.

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

Chan Wan Seong
Member

Ho Hock Heng
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. These Terms and Reference remained unchanged and can be viewed from the Manager’s corporate website.

TERMS OF REFERENCE

The AC is governed by the Terms of Reference which is available in the Manager’s corporate website at http://ir2.chartnexus.com/atriumreit/docs/corp_governance/Terms-of-Reference-Audit-Committee.pdf

MEETINGS

The AC shall meet at quarterly intervals or such other intervals as the AC Chairman shall decide. The quorum necessary for the transaction of the business of the AC shall be two (2) members. In FY2023, the AC had four (4) meetings without the presence of other Directors and employees, except at the invitation of the AC. Only the Chief Financial Officer (“CFO”) and Head of Risk and Compliance (“HRC”) 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 FY2023 was as follows: -

Member	Designation	Number of AC Meeting	Attendance	Percentage of Attendance (%)
Chng Boon Huat	Independent Non-Executive Director	4	4	100
Chan Wan Seong	Independent Non-Executive Director	4	4	100
Ho Hock Heng	Independent Non-Executive Director	4	4	100

AUDIT COMMITTEE
REPORT
(CONT'D)**SUMMARY OF ACTIVITIES**

The AC's activities for FY2023 comprised the following: -

- a) On 26 January 2023, the AC was informed that the Trustee has approved the Revised Limit of Authority ("LOA"). Subsequently, the Board adopted the LOA. The revision was mainly to further strengthen the governance of the operations of the Manager;
- b) On 26 January 2023, the AC assessed and endorsed the Risk Register submitted by the Manager. The assessment reviewed the inclusion of new risk areas such as climate change and the control measures concerning the environmental aspects of the risk (such as its impact on investment properties, financial and sustainability) which encompasses preventive, detective, and corrective actions. These measures are aimed to mitigate the effects of identified risks and minimize the probability of their occurrence.
- c) On 26 January 2023, Mr Lee Wee Hoong, the partner of our External Auditors, BDO PLT presented its Audit Completion Report for the financial year ended 31 December 2022 to the AC for review, which include the following main areas:
 - I. Responsibilities;
 - II. Audit Status and Significant Changes to Audit Plans;
 - III. Findings on Areas of Significant Auditor Attention and Key Audit Matters;
 - IV. Compliance with Laws and Regulations, Fraud-Related Matters and Review of Material Litigations and Claims;
 - V. Summary of Misstatement;
 - VI. Opinion on Statutory Reporting Matters;
 - VII. Professional Independence;
 - VIII. Statement of Communication;
 - IX. Assurance Updates;
 - X. Environment, Social and Governance ("ESG") Updates; and
 - XI. Listed Issuer Updates.

The AC was satisfied with the above review, and its recommendations on the draft audited financial statements for the financial year ended 31 December 2022 were presented to the Board for approval at its meeting on 26 January 2023. The audited financial statements which were included in the Annual Report, were issued to the Unitholders on 28 February 2023.

- d) The AC had two (2) private sessions with the External Auditors on 26 January 2023 and 23 October 2023 respectively without the presence of the Executive Director and management, to discuss audit issues and concerns that the External Auditors might wish 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.
- e) The AC reviewed the scope of work and internal audit plan for the internal audit function and decided that the scope of work for the internal audit function for FY2023 would focus on the following areas:
 - i. Organisation Structure: -
 - Effectiveness of organisational and key management personnel;
 - Staff training and succession plan
 - Assessment on supervision of all staff, and authority limit of the Board, its committee and Senior Management.
 - ii. Information Technology Systems.

On August 2, 2023, Sterling Business Alignment Consultants Sdn Bhd, the internal auditor, carried out an internal audit in June 2023 and presented its findings on the audit of the areas mentioned above. The overall assessment was considered adequate and satisfactory.

AUDIT COMMITTEE REPORT (CONT'D)

SUMMARY OF ACTIVITIES (CONT'D)

- f) The AC reviewed the quarterly financial reports and income distribution of Atrium REIT for the fourth quarter of 2022 at its meeting on 26 January 2023.

The AC has also on 26 April 2023, 2 August 2023 and 23 October 2023 reviewed the first, second and third quarterly financial reports and income distributions respectively, 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 presented its recommendations to the Board for approvals before announcing the quarterly reports and income distributions to Bursa Securities.

- g) On 23 October 2023, the AC reviewed and discussed with our External Auditors on the Audit Planning for FY2023, 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 independence;
- VII. Financial reporting updates;
- VIII. Environmental, Social, and Governance (“ESG”) updates;
- IX. Other updates; and
- X. Transparency report.

BDO, the External Auditor, confirmed their adherence to independence regulations by affirming that their partners and staff involved in the audit had no direct or indirect interest in Atrium REIT. Additionally, they were not affiliated with Atrium REIT in any manner that could compromise their independence.

- 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.

INTERNAL AUDIT FUNCTION

The Manager’s internal audit function has been outsourced to an external independent firm, Sterling Business Alignment Consulting Sdn Bhd, which reports directly to the AC. To ensure compliance with the International Standards for the Professional Practice of Internal Auditing, the AC meticulously evaluates the internal audit function’s audit plan, work scope, resource allocation, as well as the competence and expertise of the internal auditors, to ensure that the internal audit function is effective and able to function independently. The audit findings of the internal auditors together with its recommendations and the Manager’s action plans will be presented and deliberated at 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 by the AC.

Detailed information of internal audit activities is disclosed in the Statement on Risk Management and Internal Control.

OTHER COMPLIANCE INFORMATION

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 2023 were as follows: -

	RM
Audit	46,500
Non audit	5,000

DIRECTORS' TRAINING

All Directors are required to attend briefings or training programmes to keep abreast of the industry developments and regulatory updates. During the financial year, all Directors have attended various briefings and seminars relating to compliance matters or current developments affecting the real estate industry. The details of the directors' training are summarized as follows:

Director	Date	Courses
Dato' Dr Ir Mohamad Khir Bin Harun	16 November 2023	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)
Wong Sui Ee	16 November 2023	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)
	12 October 2023	Fraud and Financial Scandals: Trends, Red Flags, and Mitigations.
	2 August 2023	ChatGPT: A Game-Changer for Wealth Managers and Investors: Maximizing Returns through Intelligent Investment Decisions.
	18 July 2023	5G Economics
Foong Wai Leng	7 December 2023	MFRS Updates 2023
	1 December 2023	IR4U Program by Securities Commission
	27 November 2023	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
	16 November 2023	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)
	14 November 2023	ASLI Banking & Finance Summit 2023
	19 October 2023	Addressing challenges in implementing ISSB™ Standards
	17 October 2023	GHG Accounting Essentials - Measuring Your Carbon Footprint
	12 October 2023	Fraud and Financial Scandals: Trends, Red Flags, and Mitigations.
	4 September 2023	The Arrival of ISSB Standards and the Continued Relevance of Integrated Reporting
	15 August 2023	Integrating Environmental, Social and Governance (ESG) into Organizational Financial Reporting Framework
	7 June 2023	Unlocking the Power of Audit Data Analytics: Maximizing Value and Overcoming Implementation Challenges
	17 May 2023	MIA Town Hall 2022/2023
6 April 2023	2023 Budget Seminar	

OTHER COMPLIANCE
INFORMATION
(CONT'D)**DIRECTORS' TRAINING (CONT'D)**

Director	Date	Courses
Foong Wai Leng (cont'd)	30 March 2023	Artificial Intelligence and the Future of Accounting
	8 March 2023	MIA Digital Month: Digital Skills in a Transformed World
	1 March 2023	MIA Digital Month: Success Stories
Chng Boon Huat	21 November 2023	Malaysian Budget 2023
	25 May 2023	Advancing Cyber Resilience
	26 April 2023	ESG – Scope 3 Emissions
	7 February 2023	Understanding Task Force on Climate-Related Financial Disclosure
Chan Wan Seong	16 November 2023	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)
	27 November 2023	Securities Commission Malaysia's Audit Oversight Board Conversation with Audit Committees
Ho Hock Heng	16 November 2023	Inhouse Corporate Training – 1. Conflict of Interest, and 2. General understanding of Corporate Liabilities S17A MACC Act (refresher course)
	26 – 27 June 2023	Mandatory Accreditation Program

MATERIAL CONTRACT

On 5 November 2023, Pacific Trustee Berhad for Atrium REIT entered into a Sales and Purchase Agreement with Amazing Blitz Sdn Bhd [a related party to Atrium REIT Managers Sdn Bhd, the Manager for Atrium REIT] to acquire a property in Shah Alam, Selangor for a total cash consideration of RM41.0 million. The acquisition was approved by the unitholders at an extraordinary general meeting held on 6 February 2024. The acquisition would be financed through internal funds and bank borrowings.

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 2023 ("FY2023").

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 the management of 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 2023 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 are tenanted by multinational companies.

MANAGER'S FEES AND COMMISSION

Pursuant to the Second Deed, for the financial year ended 31 December 2023, the Manager received a fee of 1.0% per annum of the Net Asset Value of the Trust.

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
Foong Wai Leng
Chan Wan Seong
Chng Boon Huat
Ho Hock Heng (appointed on 15 May 2023)
Tor Peng Sie (resigned on 15 May 2023)
How Hu Son (resigned on 15 May 2023)
Soong Kwong Heng (resigned on 11 April 2023)

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 2023 are as follows:

	At 1 January 2023	Bought	Sold	At 31 December 2023
Direct Interest				
Dato' Dr Ir Mohamad Khir Bin Harun	–	–	–	–
Wong Sui Ee	522,200	–	–	522,200
Foong Wai Leng	–	–	–	–
Chan Wan Seong	500,000	–	–	500,000
Chng Boon Huat	–	–	–	–
Ho Hock Heng	–	–	–	–

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 that adequate provision had been made for doubtful debts; 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.

MANAGER'S
REPORT
(CONT'D)**OTHER STATUTORY INFORMATION (CONT'D)**

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 render the amount of provision for doubtful debts in the financial statements of the Trust inadequate to any substantial extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Trust misleading; and
- (iii) which have arisen which would 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.



.....
Chng Boon Huat



.....
Wong Sui Ee

Kuala Lumpur, Malaysia
Date: 22 February 2024

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 109 to 142 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 IFRS Accounting Standards so as to give a true and fair view of the financial position of Atrium Real Estate Investment Trust as at 31 December 2023 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 2024



.....
Chng Boon Huat

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 109 to 142 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 2024)



.....
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 2023. In our opinion and to the best of our knowledge:

- a) 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 2023; and
- b) 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 2023 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 2023 are as follows:

- 1) First interim income distribution of 1.75 sen paid on 31 May 2023,
- 2) Second interim income distribution of 1.75 sen paid on 4 September 2023,
- 3) Third interim income distribution of 1.70 sen paid on 30 November 2023, and
- 4) Proposed fourth and final income distribution of 1.70 sen payable on 29 February 2024.

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 2024

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 2023, 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 material accounting policy information, as set out on pages 109 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Atrium REIT as at 31 December 2023, and of its financial performance and its cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs") and IFRS Accounting Standards.

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 RM583,314,808 as at 31 December 2023.

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.

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; and
- (v) 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.

INDEPENDENT AUDITORS' REPORT
TO THE UNITHOLDERS OF ATRIUM REAL ESTATE INVESTMENT TRUST
(Established in Malaysia)
(CONT'D)

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, IFRS Accounting Standards 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.

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.

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)

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: (cont'd)

- (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.

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.

BDO PLT

BDO PLT

201906000013 (LLP0018825-LCA) & AF 0206

Chartered Accountants

Kuala Lumpur
22 February 2024



Shahira Binti Shahar

03646/03/2024 J

Chartered Accountant

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM	2022 RM
ASSETS			
Non-current assets			
Investment properties	4	583,314,808	532,875,679
Investment properties - accrued lease income	5	12,385,192	9,924,321
		595,700,000	542,800,000
Current assets			
Trade and other receivables	5	10,837,980	6,109,761
Deposits with a licensed bank	6	36,564,571	47,947,417
Bank balances	6	823,476	15,742,683
		48,226,027	69,799,861
TOTAL ASSETS		643,926,027	612,599,861
LIABILITIES			
Non-current liabilities			
Trade and other payables	7	15,420,567	11,042,109
Borrowings	8	191,231,130	211,231,130
Deferred tax liability	9	10,235,744	8,955,744
		216,887,441	231,228,983
Current liabilities			
Trade and other payables	7	9,599,785	5,972,155
Borrowings	8	60,602,670	39,600,000
		70,202,455	45,572,155
TOTAL LIABILITIES		287,089,896	276,801,138
NET ASSET VALUE ("NAV")		356,836,131	335,798,723

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
 (CONT'D)

	Note	2023 RM	2022 RM
FINANCED BY:			
UNITHOLDERS' FUNDS			
Unitholders' capital	10	288,477,719	274,487,719
Undistributed income		68,358,412	61,311,004
TOTAL UNITHOLDERS' FUNDS		356,836,131	335,798,723
NUMBER OF UNITS IN CIRCULATION	10	265,550,680	255,550,680
NET ASSET VALUE ("NAV")			
Before income distribution ¹		356,836,131	335,798,723
After income distribution ²		352,321,770	330,943,260
NAV PER UNIT (RM)			
Before income distribution ¹		1.3438	1.3140
After income distribution ²		1.3268	1.2950

¹ Before the proposed final income distribution of 1.70 sen per unit (2022: 1.90 sen per unit)

² After the proposed final income distribution of 1.70 sen per unit (2022: 1.90 sen per unit)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
Gross revenue	13	39,565,303	38,122,803
Property operating expenses	14	(3,203,277)	(2,388,796)
Net property income		36,362,026	35,734,007
Interest income		1,560,303	798,140
Other income		95,403	1,454
Total income		38,017,732	36,533,601
Manager's fees	15	(3,492,804)	(2,889,955)
Trustee's fees	16	(349,280)	(288,996)
Auditors' fee		(46,500)	(41,500)
Tax agent's fee		(10,100)	(10,400)
Finance costs	17	(11,639,260)	(9,822,537)
Valuation fees		(124,789)	(100,774)
Administrative expenses		(1,442,398)	(1,648,439)
Others		(122,500)	(136,702)
Changes in fair value of investment properties	4	6,201,405	1,105,370
Total expenses		(11,026,226)	(13,833,933)
Profit before tax		26,991,506	22,699,668
Tax expense	18	(1,280,000)	(1,481,958)
Profit for the financial year		25,711,506	21,217,710
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		25,711,506	21,217,710
Profit for the financial year is made up as follows:			
Realised		18,329,230	18,494,329
Unrealised - changes in fair value of investment properties, deferred tax expense and lease receivables		7,382,276	2,723,381
		25,711,506	21,217,710
Basic and diluted earnings per unit (sen)			
Before Manager's fees	19	11.07	10.95
After Manager's fees	19	9.75	9.64

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
 (CONT'D)

	2023 RM	2022 RM
Net income distributions*		
First interim income distribution of 1.75 sen paid on 31 May 2023 (2022: 2.20 sen paid on 2 June 2022)	4,647,137	4,501,765
Second interim income distribution of 1.75 sen paid on 4 September 2023 (2022: 2.25 sen paid on 30 August 2022)	4,647,137	4,604,077
Third interim income distribution of 1.70 sen paid on 30 November 2023 (2022: 1.85 sen paid on 30 November 2022)	4,514,361	4,542,687
Proposed fourth and final income distribution of 1.70 sen payable on 29 February 2024 (2022: 1.90 sen paid on 28 February 2023)	4,514,361	4,855,463
	18,322,996	18,503,992
Income distribution per unit*		
First interim income distribution	1.75	2.20
Second interim income distribution	1.75	2.25
Third interim income distribution	1.70	1.85
Proposed fourth and final income distribution	1.70	1.90
	6.90	8.20

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

	Withholding tax rate 2023	2022
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

STATEMENT OF CHANGES IN NET ASSET VALUE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Unitholders' capital RM	← Undistributed income →		Unitholders' fund RM
			Realised RM	Unrealised RM	
At 1 January 2023		274,487,719	5,715,803	55,595,201	335,798,723
Total comprehensive income					
Profit for the financial year		–	18,329,230	7,382,276	25,711,506
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income, representing the increase in net assets resulting from operations		–	18,329,230	7,382,276	25,711,506
Unitholders' transactions					
Units issued pursuant to:					
- Placement	10	14,000,000	–	–	14,000,000
- Shares issued expenses	10	(10,000)	–	–	(10,000)
Distributions to unitholders:					
- 2023 interim		–	(13,808,635)	–	(13,808,635)
- 2022 final		–	(4,855,463)	–	(4,855,463)
Increase/(Decrease) in net assets resulting from unitholders' transactions		13,990,000	(18,664,098)	–	(4,674,098)
At 31 December 2023		288,477,719	5,380,935	62,977,477	356,836,131

STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
 (CONT'D)

	Note	Unitholders' capital RM	← Undistributed income →		Unitholders' fund RM
			Realised RM	Unrealised RM	
At 1 January 2022		204,129,835	6,087,958	52,871,820	263,089,613
Total comprehensive income					
Profit for the financial year		–	18,494,329	2,723,381	21,217,710
Other comprehensive income, net of tax		–	–	–	–
Total comprehensive income, representing the increase in net assets resulting from operations		–	18,494,329	2,723,381	21,217,710
Unitholders' transactions					
Units issued pursuant to:					
- Placement	10	71,295,000	–	–	71,295,000
- Shares issued expenses	10	(937,116)	–	–	(937,116)
Distributions to unitholders:					
- 2022 interim		–	(13,648,529)	–	(13,648,529)
- 2021 final		–	(5,217,955)	–	(5,217,955)
Increase/(Decrease) in net assets resulting from unitholders' transactions		70,357,884	(18,866,484)	–	51,491,400
At 31 December 2022		274,487,719	5,715,803	55,595,201	335,798,723

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM	2022 RM
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		26,991,506	22,699,668
Adjustments for:			
Changes in fair value of investment properties	4	(6,201,405)	(1,105,370)
Finance costs	17	11,639,260	9,822,537
Interest income		(1,560,303)	(798,140)
Operating income before changes in working capital		30,869,058	30,618,695
Increase in trade and other receivables		(7,143,094)	(2,853,778)
Increase in trade and other payables		8,002,033	1,856,402
Cash generated from operations, representing net cash from operating activities		31,727,997	29,621,319
CASH FLOWS FROM INVESTING ACTIVITIES			
Enhancement of investment properties	4	(44,237,724)	(28,894,661)
Interest received		1,514,307	770,001
Net cash used in investing activities		(42,723,417)	(28,124,660)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distributions paid to unitholders			
- Current year		(13,808,635)	(13,648,529)
- Previous year		(4,855,463)	(5,217,955)
Issuance of new units		13,990,000	70,357,884
Interest paid		(11,635,205)	(9,597,986)
Net cash (used in)/from financing activities		(16,309,303)	41,893,414
Net (decrease)/increase in cash and cash equivalents		(27,304,723)	43,390,073
Cash and cash equivalents at beginning of financial year		63,690,100	20,300,027
Cash and cash equivalents at end of financial year		36,385,377	63,690,100
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	36,564,571	47,947,417
- Bank balances	6	823,476	15,742,683
- Bank overdraft	8	(1,002,670)	-
		36,385,377	63,690,100

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

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

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 2023 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 2023 were authorised for issue in accordance with a resolution by the Board of Directors of the Manager on 22 February 2024.

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 IFRS Accounting Standards.

The financial statements of Atrium REIT have been prepared under the historical cost convention, except as otherwise stated in the financial statements and on the basis of accounting principle applicable to a going concern.

As at 31 December 2023, the current liabilities of Atrium REIT exceeded its current assets by RM21,976,428.

Atrium REIT carried out monthly cash flows review for the next twelve (12) months to ensure that the business operations have sufficient funds available to meet its obligations as and when they fall due. Historical results of the treasury management show that Atrium REIT has the ability to meet its obligations as and when they fall due and Atrium REIT has not defaulted on any obligations due or payable to financial institutions or creditors.

The Directors are confident that Atrium REIT will continue to generate sufficient cash flows from its operations for the next twelve (12) months from the reporting date to meet its obligations as and when they fall due. In addition, Atrium REIT has obtained approval for the extension of the existing term loan and renewal of short term revolving credit facility subsequent to the financial year end as disclosed in Notes 8(e) and 8(g) to the financial statements respectively. Based on these factors, the Directors believe it is appropriate to prepare the financial statements of Atrium REIT on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(CONT'D)

3. BASIS OF PREPARATION (CONT'D)

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

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

	2023 RM	2022 RM
At valuation		
As at 1 January	532,875,679	502,875,648
Enhancement of investment properties	44,237,724	28,894,661
Changes in fair value:		
- As per valuation reports	18,586,597	11,029,691
- Accrued lease income receivable	(12,385,192)	(9,924,321)
	6,201,405	1,105,370
As at 31 December	583,314,808	532,875,679

(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.

(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	2023 RM	2022 RM
Investment properties - fair value			
Freehold land and buildings		321,400,000	308,300,000
Leasehold land		119,771,860	120,660,231
Leasehold building		154,528,140	113,839,769
		595,700,000	542,800,000
Investment properties - accrued lease income	5	(12,385,192)	(9,924,321)
		583,314,808	532,875,679

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

4. INVESTMENT PROPERTIES (CONT'D)

- (c) Investment properties with an aggregate carrying amount of RM534,000,000 (2022: RM484,000,000) are charged to a financial institution for banking facilities granted to Atrium REIT as disclosed in Note 8 to the financial statements.
- (d) 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.

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 5.00% (2022: 5.00% to 7.50%) - Term yield rate of 6.00% to 7.50% (2022: 6.00% to 8.25%) - Reversionary yield rate of 6.50% to 8.00% (2022: 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)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

4. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value information (cont'd)

In the previous financial year, the Group adopted comparison method for Atrium Shah Alam 4 as follows:

Valuation technique used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurements
Comparison method involved 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 were then made for differences in location, size, facilities available, market conditions and other factors in order to arrive at a common basis for comparison.	- Differences in allocation, size, tenure and condition of -5.00% to 6.00%	The estimated fair value would increase/(decrease) if: - 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 2023
 (CONT'D)

4. INVESTMENT PROPERTIES (CONT'D)

(d) Fair value information (cont'd)

2023

Description of properties	Tenure of land	Location	Occupancy rate as at 31.12.2023		Date of valuation	Cost of investment as at 31.12.2023 RM	Carrying value as at 31.12.2023 RM	Fair value as at 31.12.2023 RM	Percentage of fair value over NAV as at 31.12.2023 %
				%					
Industrial building									
Atrium Shah Alam 1*	Freehold	Shah Alam	100		27.11.2023	60,003,432	99,277,725	100,000,000 [^]	28.0%
Atrium Shah Alam 2*	Freehold	Shah Alam	100		27.11.2023	64,495,221	88,300,000	88,300,000 [^]	24.7%
Atrium Shah Alam 3*	Freehold	Shah Alam	100		28.11.2023	31,543,603	30,646,623	30,500,000 [^]	8.5%
Atrium Shah Alam 4**	Leasehold	Shah Alam	100		28.11.2023	119,936,489	102,300,000	102,300,000 [^]	28.7%
Atrium Puchong	Freehold	Puchong	100		30.11.2023	39,043,905	61,700,000	61,700,000 [^]	17.3%
Atrium USJ*	Freehold	Subang	100		27.11.2023	25,000,000	40,900,000	40,900,000 [^]	11.5%
Atrium Bayan Lepas 2*	Leasehold ^{\$}	Bayan Lepas	100		29.11.2023	132,440,048	113,369,305	122,000,000 [#]	34.2%
Atrium Bayan Lepas 1*	Leasehold ^{\$}	Bayan Lepas	100		29.11.2023	50,371,707	47,003,155	50,000,000 [#]	14.0%
						522,834,405	583,314,808	595,700,000	

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

** The property is charged to financial institutions for banking facilities granted to Atrium REIT. As at 31 December 2023, the remaining lease term for Atrium Shah Alam 4 is 50 years, which expires in year 2073.

[^] Based on valuation carried out by an independent professional valuer, Raine & Horne International Zaki + Partners Sdn. Bhd., using investment method of valuation.

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

^{\$} As at 31 December 2023, the remaining lease terms for Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2 are 18 years and 12 years respectively. The Manager is in process of applying for extension of these lease terms subject to the consent of State Authority. On 5 July 2021, Penang Development Council ("PDC") had granted an additional 10 years 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
31 DECEMBER 2023
(CONT'D)**4. INVESTMENT PROPERTIES (CONT'D)**

(d) Fair value information (cont'd)

2022

Description of properties	Tenure of land	Location	Occupancy	Date of valuation	Cost of investment as at 31.12.2022 RM	Carrying value as at 31.12.2022 RM	Fair value as at 31.12.2022 RM	Percentage of
			rate as at 31.12.2022 %					fair value over NAV as at 31.12.2022 %
Industrial building								
Atrium Shah Alam 1*	Freehold	Shah Alam	100	21.11.2022	60,003,432	95,617,352	96,200,000 [^]	28.6
Atrium Shah Alam 2*	Freehold	Shah Alam	100	21.11.2022	64,495,221	83,500,000	83,500,000 [^]	24.9
Atrium Shah Alam 3*	Freehold	Shah Alam	100	22.11.2022	31,543,603	30,200,000	30,200,000 [^]	9.0
Atrium Shah Alam 4**	Leasehold	Shah Alam	-	21.11.2022	75,698,765	62,500,000	62,500,000 [@]	18.6
Atrium Puchong	Freehold	Puchong	100	22.11.2022	39,043,905	58,800,000	58,800,000 [^]	17.5
Atrium USJ*	Freehold	Subang	100	22.11.2022	25,000,000	39,600,000	39,600,000 [^]	11.8
Atrium Bayan Lepas 2*	Leasehold ^{\$}	Bayan Lepas	100	30.11.2022	132,440,048	114,867,676	122,000,000 [#]	36.3
Atrium Bayan Lepas 1*	Leasehold ^{\$}	Bayan Lepas	100	29.11.2022	50,371,707	47,790,651	50,000,000 [#]	14.9
					478,596,681	532,875,679	542,800,000	

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

** The property is charged to financial institutions for banking facilities granted to Atrium REIT. The leasehold lease term for Atrium Shah Alam 4 expires in year 2073.

[^] Based on valuation carried out by an independent professional valuer, Raine & Horne International Zaki + Partners Sdn. Bhd., using investment method of valuation.[@] Based on valuation carried out by an independent professional valuer, Raine & Horne International Zaki + Partners 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 2022, the remaining lease terms for Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2 are 19 years and 13 years respectively. The Manager is in process of applying for extension of these lease terms subject to the consent of State Authority. On 5 July 2021, Penang Development Council ("PDC") had granted an additional 10 years 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
31 DECEMBER 2023
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5. TRADE AND OTHER RECEIVABLES

	Note	2023 RM	2022 RM
Non-current			
Accrued lease income	4	12,385,192	9,924,321
Current			
Trade receivables			
Third parties		3,226	32,249
Total trade receivables		3,226	32,249
Other receivables			
Other receivables		74,135	622,360
Prepayments		5,549,304	4,485,808
Deposits		5,211,315	969,344
		10,834,754	6,077,512
		10,837,980	6,109,761
Total trade and other receivables		23,223,172	16,034,082
Less: Prepayments		(5,549,304)	(4,485,808)
Total receivables		17,673,868	11,548,274

- (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 (2022: 30 days). They are recognised at their original invoices amounts, which represent their fair values on initial recognition.
- (c) Included in deposits are deposits paid for the acquisition of investment properties amounted to RM4,100,000 (2022: Nil). Details of the purchase of the investment properties are disclosed in Note 27 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (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:

2023

	Gross carrying amount RM	Total allowance RM	Net carrying amount RM
Current	–	–	–
Past due:			
1 to 30 days	2,563	*	2,563
31 to 60 days	–	–	–
61 to 90 days	663	*	663
More than 90 days	–	–	–
	3,226	*	3,226
	3,226	*	3,226

2022

Current	30,385	*	30,385
Past due:			
1 to 30 days	–	–	–
31 to 60 days	–	–	–
61 to 90 days	1,650	*	1,650
More than 90 days	214	*	214
	1,864	*	1,864
	32,249	*	32,249

* *Negligible*

- (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.

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

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

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

5. TRADE AND OTHER RECEIVABLES (CONT'D)

(e) Credit risk (cont'd)

(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.

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 7 to the financial statements.

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:

	2023	2022
	RM	RM
Maximum exposure, net of impairment	3,226	32,249
Collateral obtained	2,842,703	546,383
Net exposure to credit risk	-	-

The above collaterals are rental deposits received from tenants.

(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 2023
 (CONT'D)

6. BANK BALANCES AND DEPOSITS WITH A LICENSED BANK

	2023 RM	2022 RM
Bank balances	823,476	15,742,683
Deposits with a licensed bank (not more than three months)	36,564,571	47,947,417
	37,388,047	63,690,100

- (a) Deposits with a licensed bank of Atrium REIT have an average maturity period of 43 days (2022: 23 days).
- (b) The deposits are placed with a licensed bank at weighted average interest rate of 3.46% (2022: 2.42%) 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
2023			
Fixed rate			
Deposits with a licensed bank	36,564,571	–	36,564,571
2022			
Fixed rate			
Deposits with a licensed bank	47,947,417	–	47,947,417

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 2023
 (CONT'D)

7. TRADE AND OTHER PAYABLES

	2023 RM	2022 RM
Non-current liabilities		
Tenants' deposits	15,420,567	11,042,109
Current liabilities		
Trade payables	5,927,082	124,823
Other payables and accrued expenses	1,351,457	2,130,690
Tenants' deposits	2,321,246	3,716,642
	9,599,785	5,972,155
	25,020,352	17,014,264

- (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 (2022: 30 days).
- (c) Included in other payables and accrued expenses is an amount owing to the Manager of RM304,225 (2022: RM285,786) 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
2023				
Financial liabilities				
Trade and other payables	7,278,539	–	–	7,278,539
Tenants' deposits	2,321,246	4,751,119	10,669,448	17,741,813
2022				
Financial liabilities				
Trade and other payables	2,255,513	–	–	2,255,513
Tenants' deposits	3,716,642	2,014,498	9,027,611	14,758,751

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(CONT'D)**8. BORROWINGS**

	2023 RM	2022 RM
Short Term Financing		
Short Term Revolving Credit ("STRC")	39,600,000	39,600,000
Maybank Term Loan	20,000,000	-
Bank Overdraft	1,002,670	-
	60,602,670	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
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	36,000,000
	191,231,130	211,231,130
	251,833,800	250,831,130

- (a) Borrowings are classified as financial liabilities measured at amortised cost.
- (b) The fair values of borrowings are estimated by discounting future contractual cash flows at the current market interest rates available to Atrium REIT for similar financial instruments. The borrowings are categorised as Level 2 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.
- (c) 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 monthly basis and subject to the bank's review.

The STRC facility bears interest at 4.33% (2022: 3.37%) per annum during the financial year.

- (d) The bank overdraft facility is secured by a first party legal charge over an investment property, Atrium Shah Alam 2 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 5.22% (2022: Nil) per annum during the financial year.

- (e) The term loan II bears interest rate at cost of funds plus 0.725% (2022: 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, Atrium Shah Alam 2, as disclosed in Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(CONT'D)

8. BORROWINGS (CONT'D)

(e) (cont'd)

The term loan III bears interest rate at cost of funds plus 0.725% (2022: 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% (2022: 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.

The Maybank term loan bears interest rate at cost of funds plus 0.80% (2022: 0.80%) per annum and is repayable in one lump sum in 2024. Subsequent to the financial year end, the lender has approved the extension of the existing term loan maturity date for another five (5) years to 22 April 2029. The remaining term remains unchanged.

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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

8. BORROWINGS (CONT'D)

(f) (cont'd)

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

- (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").
- (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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

8. BORROWINGS (CONT'D)

(f) (cont'd)

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

- (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.
- (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.
- (g) At the end of the reporting period, RM39.6 million (2022: 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 renewed on 14 February 2023 by the lender for another year maturing on 13 February 2024 and subsequently renewed on 13 February 2024 by the lender for another year maturing on 12 February 2025.
- (h) All borrowings are denominated in RM.
- (i) 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
2023				
Financial liabilities				
Bank Overdraft	1,055,009	-	-	1,055,009
Term Loans	22,605,037	39,755,979	-	62,361,016
Medium Term Note	7,503,400	30,013,600	178,212,433	215,729,433
Short Term Revolving Credit	41,314,680	-	-	41,314,680
	72,478,126	69,769,579	178,212,433	320,460,138

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

8. BORROWINGS (CONT'D)

- (i) 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: (cont'd)

	On demand or within one year RM	One to five years RM	Over five years RM	Total RM
2022				
Financial liabilities				
Term loans	2,001,972	59,614,004	–	61,615,976
Medium Term Note	6,300,215	25,200,860	174,974,044	206,475,119
Short Term Revolving Credit	40,936,431	–	–	40,936,431
	49,238,619	84,814,864	174,974,044	309,027,526

- (j) 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
2023				
Floating rates				
Bank Overdraft	1,002,670	–	–	1,002,670
Term loans	20,000,000	33,231,130	–	53,231,130
Medium Term Note	–	36,000,000	122,000,000	158,000,000
Short Term Revolving Credit	39,600,000	–	–	39,600,000
	60,602,670	69,231,130	122,000,000	251,833,800
2022				
Floating rates				
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
	39,600,000	53,231,130	158,000,000	250,831,130

- (k) Sensitivity analysis for interest rate risk

As at 31 December 2023, 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 RM191,394 (2022: RM190,632) 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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

9. DEFERRED TAX LIABILITY

	Note	2023 RM	2022 RM
Balance as at 1 January		8,955,744	7,473,786
Recognised in profit and loss	18	1,280,000	1,481,958
Balance as at 31 December		10,235,744	8,955,744

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.

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

	Number of units	2023 RM	Number of units	2022 RM
Issued and fully paid-up				
Balance as at 1 January	255,550,680	274,487,719	204,625,680	204,129,835
Issuance of units pursuant to:				
- Placements	10,000,000	14,000,000	50,925,000	71,295,000
- Share issued expenses	-	(10,000)	-	(937,116)
Balance as at 31 December	265,550,680	288,477,719	255,550,680	274,487,719

- (a) In the previous financial year, there was a placement of up to 40,925,000 new units in Atrium REIT, representing 20% of the total number of units in Atrium REIT of 204,625,680 units at RM1.40 per unit which was completed in August 2022 and special issuance of 20,000,000 units at RM1.40 per unit in Atrium REIT to Chan Kam Tuck, a major unitholder of Atrium REIT which the first tranche of 10,000,000 units has been completed in December 2022.
- (b) During the financial year, the special issuance for the remaining 10,000,000 units at RM1.40 per unit in Atrium REIT to Chan Kam Tuck, has been completed on 8 March 2023.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(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:

	Number of unit held	Percentage of total units %	Market value RM
2023			
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	1,470,800	0.55	2,029,704
Directors of the Manager:			
Wong Sui Ee	522,200	0.20	720,636
Chang Wan Seong	500,000	0.19	690,000
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	14,479,920	5.45	19,982,290
Sparkle Skyline Sdn. Bhd.	5,962,460	2.25	8,228,195
Chan Kam Tuck (i)	62,465,200	23.52	86,210,976
Chan Kum Chong	70,000	0.03	96,600
2022			
Direct unitholdings in Atrium REIT			
Atrium REIT Manager Sdn. Bhd.	1,321,100	0.52	1,809,907
Directors of the Manager:			
Wong Sui Ee	522,200	0.20	715,414
Tor Peng Sie	140,000	0.05	191,800
How Hu Son	100,000	0.04	137,000
Soong Kwong Heng	77,000	0.03	105,490
Chan Wan Seong	500,000	0.20	685,000
Related parties of the Manager:			
Glory Blitz Industries Sdn. Bhd.	14,480,920	5.67	19,838,860
Sparkle Skyline Sdn. Bhd.	5,962,460	2.33	8,168,570
Chan Kam Tuck (i)	53,579,360	20.97	73,403,723
Chan Kum Chong	70,000	0.03	95,900

- (i) Unitholdings under Chan Kam Tuck is made up of his individual holding of 55,465,200 (2022: 46,579,360) units and his holding of 7,000,000 (2022: 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 2023 of RM1.38 (2022: RM1.37).

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

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
	2023	2022	
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.

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

	2023 RM	2022 RM
Property management fees	527,108	514,927
Assessment and quit rent	785,079	783,378
Repair and maintenance	1,520,742	688,696
Insurance	372,578	327,234
Other operating expenses	(2,230)	74,561
	3,203,277	2,388,796

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.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(CONT'D)

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 of 0.10% (2022: 0.10%) per annum of the Net Asset Value.

17. FINANCE COSTS

	2023 RM	2022 RM
Interest expense on:		
- short term revolving credit facility	1,630,587	1,317,259
- term loans	2,399,504	1,982,236
- bank overdraft	104,915	277,837
- medium term note	7,504,254	6,245,205
	11,639,260	9,822,537

18. TAX EXPENSE

	Note	2023 RM	2022 RM
Deferred tax:			
Relating to origination of temporary differences		1,280,000	1,516,720
Over provision in prior year		-	(34,762)
	9	1,280,000	1,481,958

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2022: 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:

	2023 RM	2022 RM
Profit before tax	26,991,506	22,699,668
Tax at Malaysian statutory tax rate of 24% (2022: 24%)	6,477,961	5,447,920
Tax effects in respect of:		
Non-deductible expenses	(492,050)	689,327
Effect of income exempted from tax	(5,985,911)	(6,137,247)
Deferred real property gains tax on investment properties	1,280,000	1,481,958
	1,280,000	1,481,958

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

18. TAX EXPENSE (CONT'D)

(b) (cont'd)

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% (2022: 100%) of its realised income available for distribution for the financial year ended 31 December 2023 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	
	2023	2022
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 11.07 sen (2022: 10.95 sen) is calculated by dividing the profit after tax but before deduction of manager's fees for the financial year of RM29,204,310 (2022: RM24,107,665) and by the weighted average number of units in circulation during the financial year of 263,742,461 (2022: 220,096,159).
- (b) The earnings per unit after Manager's fee of 9.75 sen (2022: 9.64 sen) has been calculated based on profit after tax of RM25,711,506 (2022: RM21,217,710) for the financial year and on the weighted average number of units in circulation during the financial year of 263,742,461 (2022: 220,096,159).
- (c) Diluted earnings per unit equals basic earnings per unit as there were no potential dilutive unit in issue as at 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

20. NET INCOME DISTRIBUTIONS

Distributions to unitholders are from the following sources:

	2023 RM	2022 RM
Net rental income	33,901,156	32,634,038
Interest income	1,560,303	798,140
Other income	95,403	1,454
	35,556,862	33,433,632
Less: Expenses	(17,227,632)	(14,939,303)
Net income before tax	18,329,230	18,494,329
Tax expense	–	–
Net income after tax	18,329,230	18,494,329
Add: Brought forward undistributed income available for distribution	860,340	870,003
Less: Income distributed	(13,808,635)	(13,648,529)
Less: Proposed final income distribution	(4,514,361)	(4,855,463)
Balance undistributed income	866,574	860,340
Distribution per unit (sen)	6.90	8.20

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

	2023	2022
Portfolio Turnover Ratio ("PTR") (times)	–	0.10

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 2023 to the average net asset value of Atrium REIT for the financial year calculated on a daily basis.

In the current financial year, Atrium REIT change the basic of calculating the PTR by excluding the total enhancements in arriving the average of total acquisitions and total disposals of investments, resulting in a Nil PTR. In the previous financial year, the PTR was calculated by including the total enhancements in arriving the average of total acquisitions and total disposals of investments.

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 2023
 (CONT'D)

23. MANAGEMENT EXPENSE RATIO

	2023	2022
Management expense ratio ("MER") (%)	1.60	1.78

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:

	2023 RM	2022 RM
Customer A	6,655,564	5,408,620
Customer B	5,136,000	5,136,000
Customer C	16,705,490	16,218,922
Customer D	3,977,883	3,916,685

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:

	2023 RM	2022 RM
Not later than one (1) year	33,495,397	33,707,873
Later than one (1) year and not later than five (5) years	103,674,643	91,841,230
Later than five (5) year	130,011,608	154,861,601
	267,181,648	280,410,704

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
 (CONT'D)

25. COMMITMENTS (CONT'D)

(b) Capital commitments

	2023 RM	2022 RM
Capital expenditure in respect of addition of investment properties:		
- Approved and contracted for	36,900,000	9,448,478

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 2023 and 31 December 2022.

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.

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.

	2023 RM	2022 RM
Total borrowings	251,833,800	250,831,130
Total assets	643,926,027	612,599,861
Gearing ratio	39.11%	40.95%

(b) Methods and assumptions used to estimate fair value

The carrying amounts of financial assets and liabilities that are not carried at fair values, 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.

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2023

(CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

(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).

There is no transfer between levels in the hierarchy during the financial year.

27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(a) Material litigation

(i) Marelli Asia Pacific Sdn Bhd (“Marelli”) vs Pacific Trustees Berhad (the “Trustee”)

On 23 June 2021, Pacific Trustees Berhad, the Trustee of Atrium REIT, was served with a Writ of Summons and Statement of Claim by Marelli through its solicitor. Marelli was 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 Marelli 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 17 January 2022, the Trustee has remitted RM562,493.46 into the solicitors' account. This remittance is presently accounted for as other receivables in the financial statements.

As at 31 December 2022, the appeal is presently on-going in the Court of Appeal of Malaysia, fixed for hearing on 28 February 2023.

On 3 August 2023, the Court of Appeal has dismissed the appeal with a cost of RM10,000 to be paid by the Company.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(CONT'D)**27. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)**

(a) Material litigation (cont'd)

(ii) S L NG Trading Agency Sdn Bhd ("SL NG") vs Pacific Trustees Berhad

On 29 December 2022, the Trustee, was served with a Writ of Summons and Statement of Claim by SL NG through its solicitor. SL NG is a prospective tenant of Atrium Shah Alam 4.

SL NG's Claim is in respect of the following:

- (i) Specific Performance based on the terms stipulated in the draft Tenancy Agreement ("TA"), prepared by the Solicitors, Messrs C.S. Tam & Co. on 7 September 2022;
- (ii) The Trustee (Acting as Trustee for Atrium REIT) is required to sign the TA stated in item (a) above within seven (7) days from the date of the Order;
- (iii) Regardless of whether or not the TA is signed by the Trustee, the Trustee is ordered to complete the construction of the building in accordance with SL NG's specification and deliver the vacant possession to SL NG on or before 31 March 2023;
- (iv) The Trustee shall pay the damages to be assessed in addition to or alternatively in lieu of specific performance for the breach of contract;
- (v) The interest on the awarded damages at the rate of 8% per annum from the date of Writ until full settlement;
- (vi) Costs; and
- (vii) Such other reliefs that the court deems expedient.

The Trustee has engaged a legal counsel on the recommendation of the Manager and will take the necessary legal action to defend Atrium REIT's position. Due to the preliminary nature of the suit, the Manager is unable to estimate and assess the financial and/or operational impact on Atrium REIT. The trial dates have been fixed on 4 March 2024 and 5 March 2024.

(b) Status of Corporate Proposal

On 2 November 2023, Pacific Trustees Berhad, for and on behalf of Atrium REIT, had entered into a conditional sale and purchase agreement ("SPA") with Amazing Blitz Sdn. Bhd. ("Amazing Blitz"), a related party, for the acquisition of a leasehold land held under H.S.(D) 324738, PT -, Tempat Industrial Site At Batu Tiga, Mukim Damansara, Daerah Petaling, Negeri Selangor Darul Ehsan together with all the buildings and structures erected thereon for a total cash consideration of RM41.0 million. ("Proposed Acquisition"). Upon execution of SPA, Atrium REIT has paid the deposit representing 10% of purchase consideration amounting to RM4.1 million to Amazing Blitz during the financial year. On 6 February 2024, the SPA has become unconditional.

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2023
(CONT'D)

28. ADOPTION OF NEW MFRSs AND AMENDMENTS TO MFRSs

28.1 New MFRSs adopted during the financial year

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

Title	Effective Date
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 17 (<i>Initial Application of MFRS 17 and MFRS 9 - Comparative Information</i>)	1 January 2023
Amendments to MFRS 101 <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 108 <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Deferred tax related to Assets and Liabilities arising from a Single Transactions</i>	1 January 2023
Amendments to MFRS 112 <i>International Tax Reform - Pillar Two Model Rules</i>	Refer paragraph 98M of MFRS 112
Amendments to MFRS 107 and MFRS 7 <i>Supplier Finance Arrangements</i>	1 January 2024 (early adopt)

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

28.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2024

The following are Amendments 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
Amendments to MFRS 16 <i>Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 101 <i>Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 121 <i>Lack of Exchangeability</i>	1 January 2025
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 Amendments, since the effects would only be observable for the future financial years.

ANALYSIS OF UNITHOLDINGS

AS AT 15 FEBRUARY 2024

SIZE OF HOLDINGS AS AT 15 FEBRUARY 2024

	NO. OF UNITHOLDERS	%	NO. OF UNITS	%
1 - 99	42	1.10	1,176	0.00
100 - 1,000	846	22.25	544,344	0.20
1,001 - 10,000	1,778	46.75	8,671,600	3.27
10,001 - 100,000	929	24.43	30,447,940	11.47
100,001 to less than 5% of issued units	207	5.44	172,885,620	65.10
5% and above of issued units	1	0.03	53,000,000	19.96
TOTAL :	3,803	100.00	265,550,680	100.00

THIRTY (30) LARGEST UNITHOLDERS AS AT 15 FEBRUARY 2024

	Name	No. of units	%
1)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KAM TUCK (TCS)	53,000,000	19.96
2)	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GLORY BLITZ INDUSTRIES SDN BHD (TCS)	12,740,000	4.80
3)	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR CHEUNG SIU WA (PB)	10,070,000	3.79
4)	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CIMB COMMERCE TRUSTEE BERHAD (BTR2031)	7,000,000	2.64
5)	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (LIFE PAR)	6,772,280	2.55
6)	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LGF)	6,618,520	2.49
7)	SPARKLE SKYLINE SDN BHD	5,962,460	2.25
8)	SOH KING NENG & SONS SDN BHD	5,156,466	1.94
9)	JF APEX NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR PARAMJIT SINGH GILL (MARGIN)	5,000,000	1.88
10)	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHONG YOON ON (PB)	4,500,000	1.70
11)	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD EXEMPT AN FOR AHAM ASSET MANAGEMENT BERHAD (TSTAC/CLNTT)	3,960,900	1.49
12)	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PETROLIAM NASIONAL BERHAD (AFFIN)	3,745,200	1.41
13)	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED BCF)	3,680,000	1.39

ANALYSIS OF UNITHOLDINGS
AS AT 15 FEBRUARY 2024
 (CONT'D)

THIRTY (30) LARGEST UNITHOLDERS AS AT 15 FEBRUARY 2024 (CONT'D)

	Name	No. of units	%
14)	CHOY YOKE CHUN	3,537,200	1.33
15)	SOH KAM ENG	3,454,814	1.30
16)	HONG GIAP SDN BHD	3,433,540	1.29
17)	PARAMJIT SINGH GILL	3,002,600	1.13
18)	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LAW HOCK HUA	2,961,400	1.12
19)	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED MF)	2,660,000	1.00
20)	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR KWOK CHIU NAM (PB)	2,600,000	0.98
21)	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN KAM TUCK	2,465,200	0.93
22)	TASEC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR TA INVESTMENT MANAGEMENT BERHAD (CLIENTS)	2,440,900	0.92
23)	SHARIKAT BERUNTONG SDN BHD	2,000,000	0.75
24)	STEPHEN EDWARD BLACKBURN	2,000,000	0.75
25)	LIAN MONG YEE @ LIAN MUNG YEE	1,623,800	0.61
26)	GLORY BLITZ INDUSTRIES SDN BHD	1,623,720	0.61
27)	ATRIUM REIT MANAGERS SDN BHD	1,470,800	0.55
28)	CHRISTINA CHONG YOKE LENG	1,331,000	0.50
29)	HONG LEONG ASSURANCE BERHAD AS BENEFICIAL OWNER (UNITLINKED OP)	1,260,000	0.48
		167,292,100	63.00

ANALYSIS OF UNITHOLDINGS
AS AT 15 FEBRUARY 2024
(CONT'D)

LIST OF SUBSTANTIAL UNITHOLDERS (5% AND ABOVE)

	Name	Direct Interest	No. of units		
			%	Deemed Interest	
1.	CHAN KAM TUCK	62,969,160	23.71	–	–
2.	HONG LEONG ASSURANCE BERHAD	14,872,280	5.60	–	–
3.	HLA HOLDINGS SDN BHD ⁽¹⁾	–	–	14,872,280	5.60
4.	MITSUI SUMITOMO INSURANCE COMPANY, LIMITED ⁽¹⁾	–	–	14,872,280	5.60
5.	QUEK LENG CHYE ⁽¹⁾	–	–	14,872,280	5.60
6.	HONG LEONG FINANCIAL GROUP BERHAD ⁽²⁾	–	–	14,872,280	5.60
7.	GUOCO GROUP LIMITED ⁽³⁾	–	–	14,872,280	5.60
8.	GUOLINE OVERSEAS LIMITED ⁽³⁾	–	–	14,872,280	5.60
9.	GUOLINE CAPITAL ASSETS LIMITED ⁽³⁾	–	–	14,872,280	5.60
10.	HONG LEONG COMPANY (MALAYSIA) BERHAD ⁽³⁾	–	–	14,872,280	5.60
11.	TAN SRI QUEK LENG CHAN ⁽⁴⁾	–	–	14,872,280	5.60
12.	HL HOLDINGS SDN BHD ⁽⁴⁾	–	–	14,872,280	5.60
13.	HONG LEONG INVESTMENT HOLDINGS PTE. LTD. ⁽⁴⁾	–	–	14,872,280	5.60
14.	HONG REALTY (PRIVATE) LIMITED ⁽⁴⁾	–	–	14,872,280	5.60
15.	KWEK HOLDINGS PTE LTD ⁽⁴⁾	–	–	14,872,280	5.60
16.	KWEK LENG BENG ⁽⁴⁾	–	–	14,872,280	5.60
17.	DAVOS INVESTMENT HOLDINGS PRIVATE LIMITED ⁽⁴⁾	–	–	14,872,280	5.60
18.	KWEK LENG KEE ⁽⁴⁾	–	–	14,872,280	5.60
19.	GLORY BLITZ INDUSTRIES SDN BHD	14,479,920	5.45	–	–

⁽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 TWELFTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting (“12th 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 30 April 2024, Tuesday 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 2023 together with the Trustee’s Report issued by Pacific Trustees Berhad, as Trustee of Atrium REIT and the Manager’s Report issued by Atrium REIT Managers Sdn. Bhd., as the Manager of Atrium REIT and the Auditors’ Report thereon. **(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 TWELFTH 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)

FONG SEAH LIH (MAICSA 7062297) (SSM PC No. 202008000973)
Company Secretary

Kuala Lumpur
6 March 2024

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 Unitholders' Meeting in person at the Broadcast Venue on the day of the Unitholders' Meeting.

The Unitholders are only allowed to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, “participate”) remotely at this Unitholders' Meeting via RPV provided by Tricor Investor & Issuing House Services Sdn Bhd 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 which will be made available on Atrium REIT's website at <http://ir2.chartnexus.com/atriumreit/agm.php> in order to participate remotely via RPV.

- 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 22 April 2024**. Only a unitholder whose name appears on this Record of Depositors shall be entitled to participate in this AGM via RPV.
- 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.
- 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 TWELFTH 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 Main Market Listing Requirements of Bursa Malaysia Securities Berhad.
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, Jalan Cheras, 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 **28 April 2024, Sunday 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 TWELFTH ANNUAL GENERAL MEETING
(CONT'D)**1. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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 Eleventh Annual General Meeting of Atrium REIT held on 27 April 2023 and which will lapse at the conclusion of the 12th AGM.

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 TWELFTH ANNUAL GENERAL MEETING (“12TH AGM”)

Day & Date	:	Tuesday, 30 April 2024
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

The 12th AGM will be conducted on a virtual basis through live streaming from the Broadcast Venue and online remote voting using the Remote Participation and Voting (“RPV”) facilities provided by Tricor Investor & Issuing House Services Sdn Bhd (“Tricor”) via its TIIH Online website at <https://tiih.online>.

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. Unitholder(s) or proxy(ies) or attorney(s) or authorised representative(s) WILL NOT BE ALLOWED to attend the 12th AGM in person at the Broadcast Venue on the day of the meeting.

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 12th AGM via RPV facilities provided by Tricor.

Please refer to “Procedure for RPV” as set out below for the requirement and procedures.

PROCEDURES FOR RPV

Unitholder(s) or proxy(ies) or authorised representative(s) or attorney(s) who wish to participate in the 12th 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 Wednesday, 6 March 2024 until the day of AGM on Tuesday, 30 April 2024. Unitholder(s) or proxy(ies) or attorney(s) or authorised representative(s) are required to pre-register their attendance for the 12th AGM to ascertain their eligibility to participate at the 12th AGM using the RPV. Login with your user ID (i.e. e-mail address) and password and select the corporate event: “(REGISTRATION) ATRIUM REIT 12TH 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 22 April 2024, the system will send you an e-mail after 28 April 2024 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>

ADMINISTRATIVE GUIDE
FOR THE TWELFTH ANNUAL GENERAL MEETING ("12TH AGM")
(CONT'D)

PROCEDURES FOR RPV (CONT'D)

Unitholder(s) or proxy(ies) or authorised representative(s) or attorney(s) who wish to participate in the 12th AGM remotely using the RPV are to follow the requirements and procedures as summarized below: (cont'd)

	Procedure	Action
ON THE DAY OF THE AGM		
(a)	Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 12th AGM at any time from 10.00 a.m. i.e. 1 hour before the commencement of the 12th AGM on Tuesday, 30 April 2024 at 11.00 a.m.
(b)	Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: "(LIVE STREAM MEETING) ATRIUM REIT 12TH 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.
(c)	Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 11.00 a.m. on Tuesday, 30 April 2024 until a time when the Chairman announces the end of the session. Select the corporate event: "(REMOTE VOTING) ATRIUM REIT 12TH 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.
(d)	End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the closure of the 12th AGM, the live streaming will end.

Note to users of the RPV facilities:

- 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.
- 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.
- 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 22 April 2024 shall be eligible to participate in the 12th 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.

ADMINISTRATIVE GUIDE FOR THE TWELFTH ANNUAL GENERAL MEETING (“12TH AGM”) (CONT'D)

APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Unitholders who appoint proxy(ies) to participate via RPV at the 12th 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 **28 April 2024 at 11.00 a.m.** being 48 hours before the time appointed for holding the meeting or any adjournment thereof.

A unitholder who has appointed a proxy(ies) or corporate representative(s) or attorney(s) to attend, participate, speak and vote at this 12th 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 “Procedures for RPV”.

POLL VOTING

The voting at the 12th 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(es) or attorney(s) or authorised representative(s) can proceed to voting on the resolutions at any time from 11.00 a.m. on Tuesday, 30 April 2024 but before the end of the voting session which will be announced by the Chairman of the meeting. Kindly refer to item (c) 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.

PRE-MEETING SUBMISSION OF QUESTION TO THE BOARD OF DIRECTORS

Unitholders may submit questions to the Board in advance of the 12th AGM via Tricor’s TIIH Online website at <https://tiih.online> by selecting “e-Services” to login, pose questions and submit electronically no later than **Sunday, 28 April 2024 at 11.00 a.m.** The Board will endeavor to answer the questions received at the 12th 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	:	+6 (03) 2783 9299
Fax Number	:	+6 (03) 2783 9222
Email	:	is.enquiry@my.tricorglobal.com
Contact Person	:	Puan Nor Faeayzah +6 (03) 2783 9274 / nor.faeayzah@my.tricorglobal.com
	:	Cik Nur Shafikah +6 (03) 2783 9293 / nur.shafikah@my.tricorglobal.com
	:	Mr Ashvinder Singh +6 (03) 2783 7962 / ashvinder.singh@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 (if more than one (1) proxy)

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 Twelfth 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 30 April 2024, Tuesday at 11.00 a.m., and at any adjournment thereof, and to vote as indicated below:-

Special Business	FOR	AGAINST
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 2024

.....
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

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 - (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.

Fold this flap for sealing

Then fold here

AFFIX
STAMP

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

1st fold here





ATRIUM REAL ESTATE INVESTMENT TRUST

(Established in Malaysia)

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

ANNUAL REPORT 2023