



ATRIUM REAL ESTATE INVESTMENT TRUST

Condensed Financial Statements

Fourth Quarter Ended 31 December 2024

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ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF FINANCIAL POSITION

	(Unaudited) As at 31.12.2024 RM	(Audited) As at 31.12.2023 RM
ASSETS		
Non-current asset		
Investment properties	653,924,612	583,314,808
Investment properties – accrued lease income	17,375,388	12,385,192
	<u>671,300,000</u>	<u>595,700,000</u>
Current assets		
Trade and other receivables	8,702,937	10,837,980
Deposits with a licensed bank	20,709,727	36,564,571
Bank balances	1,678,857	823,476
	<u>31,091,521</u>	<u>48,226,027</u>
TOTAL ASSETS	<u>702,391,521</u>	<u>643,926,027</u>
LIABILITIES		
Non-current liabilities		
Tenants’ deposits	16,664,145	15,420,567
Borrowings	244,031,130	191,231,130
Deferred tax liability	11,744,703	10,235,744
	<u>272,439,978</u>	<u>216,887,441</u>
Current liabilities		
Trade and other payables	2,797,546	9,599,785
Borrowings	48,456,391	60,602,670
	<u>51,253,937</u>	<u>70,202,455</u>
TOTAL LIABILITIES	<u>323,693,915</u>	<u>287,089,896</u>
NET ASSET VALUE (“NAV”)	<u>378,697,606</u>	<u>356,836,131</u>
FINANCED BY:		
UNITHOLDERS’ FUNDS		
Unitholders’ capital	288,477,719	288,477,719
Undistributed income	90,219,887	68,358,412
TOTAL UNITHOLDERS’ FUNDS	<u>378,697,606</u>	<u>356,836,131</u>
NUMBER OF UNITS IN CIRCULATION	<u>265,550,680</u>	<u>265,550,680</u>
NAV PER UNIT (RM)		
- before income distribution	1.4261	1.3438
- after income distribution (Note 1)	1.4171	1.3268

The Condensed Statement of Financial Position should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

(Note 1 - Being Net Asset Value Per Unit after reflecting realised income distributed as fourth interim income distribution for 2024 of 1.50 sen per unit on 31 December 2024 and the fifth and final income distribution for 2024 of 0.90 sen to be paid on 26 February 2025.)

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

	Individual Quarter		Cumulative Quarter	
	Current Year Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year to Date
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Gross revenue	11,912,085	9,443,195	44,990,369	37,104,433
Unbilled lease income receivable	1,175,947	543,150	4,990,196	2,460,870
	13,088,032	9,986,345	49,980,565	39,565,303
Property operating expenses	(832,228)	(1,128,089)	(4,178,440)	(3,203,277)
Net rental income	12,255,804	8,858,256	45,802,125	36,362,026
Interest income	147,828	338,842	751,665	1,560,303
Other income	850	76,576	2,606	95,403
Total income	12,404,482	9,273,674	46,556,396	38,017,732
Trust expenses				
Manager's fees	(922,207)	(892,528)	(3,608,575)	(3,492,804)
Trustee's fees	(92,221)	(89,253)	(360,858)	(349,280)
Auditors' fees	(15,550)	(12,300)	(51,000)	(46,500)
Tax agent's fees	(3,170)	(2,080)	(11,500)	(10,100)
Finance costs	(3,246,324)	(2,943,517)	(12,539,169)	(11,639,260)
Valuation fees	(109,815)	(101,604)	(109,815)	(124,789)
Administrative expenses	(333,228)	(342,305)	(1,795,796)	(1,442,398)
Others	(30,000)	(29,451)	(290,000)	(122,500)
Changes in fair value of investment properties	20,330,073	6,201,405	20,330,073	6,201,405
Total Expenses	15,577,558	1,788,367	1,563,360	(11,026,226)
Income/(loss) before taxation	27,982,040	11,062,041	48,119,756	26,991,506
Taxation	(1,508,958)	(1,280,000)	(1,508,958)	(1,280,000)
Net income/(loss) for the period	26,473,082	9,782,041	46,610,798	25,711,506

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

	Individual Quarter		Cumulative Quarter	
	Current Year to Quarter	Preceding Year Corresponding Quarter	Current Year to Date	Preceding Year to Date
	31.12.2024 RM	31.12.2023 RM	31.12.2024 RM	31.12.2023 RM
Total comprehensive income for the period	26,473,082	9,783,041	46,610,798	25,711,506
Net income for the period is made up as follows:				
-Realised Income	6,476,020	4,317,486	22,799,487	18,329,231
-Unrealised - Deferred Taxation	(1,508,958)	(1,280,000)	(1,508,958)	(1,280,000)
-Unrealised - Change in fair value of investment properties	20,330,073	6,201,405	20,330,073	6,201,405
-Unrealised - Unbilled lease income receivable ¹	1,175,947	543,150	4,990,196	2,460,870
	26,473,082	9,782,041	46,610,798	25,711,506

Earnings per unit (including unrealised income) (sen)

- after manager's fees	9.97	3.68	17.55	9.64 [#]
- before manager's fees	10.32	4.02	18.91	10.95 [#]

Earnings per unit (realised) (sen)

- after manager's fees	2.44	1.63	8.59	6.95 [#]
- before manager's fees	2.79	1.96	9.94	8.27 [#]

Distribution per unit (sen)

- Proposed/Declared	2.40*	1.70	8.52	6.90
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¹ Recognition of unbilled lease income receivable pursuant to requirements of MFRS 16 whereby, income from operating leases is to be recognized on a straight-line basis, including contractual increase in rental rates over the fixed tenure of the lease.

[#] Based on weighted average number of units in issue after the issuance and listing of 10,000,000 units (Note B19)

*Includes the fourth interim income distribution of 1.50 sen per unit for the two (2) months period from 1 October 2024 to 30 November 2024 which was declared on 2 December 2024 and paid on 31 December 2024.

The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Period from 01.01.2024 to 31.12.2024

← Undistributed Income →

	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2024	288,477,719	5,380,935	62,977,477	356,836,131
Operations for the period from				
- 1 January 2024 to 31 December 2024				
Net income for the period	-	22,799,487	23,811,311	46,610,798
Other comprehensive income, net of tax	-	-	-	-
Total comprehensive income	-	22,799,487	23,811,311	46,610,798
Unitholders' transactions				
Distributions to unitholders				
- 2023 Final	-	(4,514,362)	-	(4,514,362)
- 2024 First Interim	-	(5,311,014)	-	(5,311,014)
- 2024 Second Interim	-	(5,364,123)	-	(5,364,123)
- 2024 Third Interim	-	(5,576,564)	-	(5,576,564)
- 2024 Fourth Interim	-	(3,983,260)	-	(3,983,260)
Decrease in net assets resulting from unitholders' transactions	-	(24,749,323)	-	(24,749,323)
Net assets as at 31 December 2024	288,477,719	3,431,099	86,788,788	378,697,606

ATRIUM REAL ESTATE INVESTMENT TRUST
AUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE
For The Period from 01.01.2023 to 31.12.2023

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
At 1 January 2023	274,487,719	5,715,803	55,595,201	335,798,723
Operations for the period from -1 January 2023 to 31 December 2023				
Net income for the period	-	18,329,230	7,382,276	25,711,506
Total comprehensive income	-	18,329,230	7,382,276	25,711,506
Unitholders' transactions				
Issuance of units via Special Issuance	14,000,000	-	-	14,000,000
Distributions to unitholders				
- 2022 Final	-	(4,855,462)		(4,855,462)
- 2023 First Interim	-	(4,647,137)		(4,647,137)
- 2023 Second Interim	-	(4,647,137)		(4,647,137)
- 2023 Third Interim	-	(4,514,362)		(4,514,362)
Listing Expenses	(10,000)	-	-	(10,000)
Increase/(Decrease) in net assets resulting from unitholders' transactions	13,990,000	(18,664,098)	-	(4,674,098)
Net assets as at 31 December 2023	288,477,719	5,380,935	62,977,477	356,836,131

The Condensed Statement of Changes in Net Asset Value should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
CONDENSED STATEMENT OF CASH FLOWS

	(Unaudited) Current Period to Date	(Audited) Preceding Year Corresponding Year to Date
	31.12.2024	31.12.2023
	RM	RM
<u>Cash Flow From Operating Activities</u>		
Income before taxation	48,119,756	26,991,506
Adjustments for:		
Changes in fair value of investment properties	(20,330,073)	(6,201,405)
Interest income	(751,665)	(1,560,303)
Interest expense	12,539,169	11,639,260
Operating income before working capital changes	39,577,187	30,869,058
(Increase)/ Decrease in trade and other receivables	(2,901,364)	(7,143,094)
Increase/ (Decrease) in trade and other payables	(5,562,290)	8,002,033
Net cash used in/ generated from operating activities	31,113,533	31,727,997
<u>Cash Flow From Investing Activity</u>		
Acquisition of investment property	(41,000,000)	-
Enhancement of investment property	(9,279,731)	(44,237,724)
Interest income	797,876	1,514,307
Net cash used in investing activity	(49,481,855)	(42,723,417)
<u>Cash Flow From Financing Activities</u>		
Issuance of units via Special Issuance (less listing expenses)	-	13,990,000
Proceeds from Issuance of Medium Term Note (MTN) 4	32,800,000	-
Interest paid	(12,535,538)	(11,635,205)
Distribution to unitholders	(24,749,323)	(18,664,098)
Net cash used in/generated from financing activities	(4,484,861)	(16,309,303)
Net Decrease in Cash and Cash Equivalents	(22,853,183)	(27,304,723)
Cash and Cash Equivalents at the Beginning of the Period	36,385,376	63,690,100
Cash and Cash Equivalents at the End of the Period	13,532,193	36,385,377
Cash and bank balances	1,678,857	823,476
Deposits with licensed financial institution	20,709,727	39,564,571
Bank overdraft	(8,856,391)	(1,002,670)
	<u>13,532,193</u>	<u>39,385,377</u>

The Condensed Statement of Cash Flows should be read in conjunction with the Audited Financial Report for the year ended 31 December 2023 and the accompanying explanatory notes attached to the financial statements.

ATRIUM REAL ESTATE INVESTMENT TRUST
NOTES TO THE UNAUDITED CONDENSED FINANCIAL STATEMENTS
For the Quarter Ended 31 December 2024

A. DISCLOSURE REQUIREMENTS AS PER MALAYSIAN FINANCIAL REPORTING STANDARDS (“MFRS”) 134

A1. Basis of Preparation

The quarterly financial report comprises Atrium REIT and its wholly-owned special purpose company, Atrium REIT Capital Sdn. Bhd., a company incorporated in Malaysia, of which the principal activity is to raise financing for and on behalf of Atrium REIT

The quarterly financial report is unaudited and has been prepared in accordance with the requirements of Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting, and paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Second Restated Deed dated 17 December 2019 and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts.

The accounting policies and methods of computation used in the preparation of the quarterly financial report are consistent with those adopted in the preparation of the audited financial information of the Atrium Real Estate Investment Trust (“Atrium REIT” or “Trust”) for the year ended 31 December 2023.

A2. Audit Report of Preceding Financial Year Ended 31 December 2023

The Auditors Report on the financial statements of the preceding financial year was not qualified.

A3. Seasonality or Cyclicity of Operations

The business operations of Atrium REIT are not materially affected by any seasonal or cyclical factor.

A4. Exceptional or Unusual Items

There were no unusual items to be disclosed for the quarter under review.

A5. Changes in Estimates of Amounts Reported

This is not applicable as no estimates were previously reported.

A6. Changes in Debt and Equity Securities

There was no issuance, cancellation, repurchase, resale and repayment of equity securities during the current financial quarter except for the following:

A7. Income Distribution

During the quarter under review, Atrium REIT paid the third income distribution of 2.10 sen per unit, amounting to RM5,576,564 in respect of the realised income for the period from 1 July 2024 to 30 September 2024 on 29 November 2024. In addition, Atrium REIT has also paid a fourth interim income distribution of 1.50 sen per unit, amounting to RM3,983,260 in respect of the realised income for the period from 1 October 2024 to 30 November 2024 on 31 December 2024.

A8. Segment Reporting

No segment information is prepared as Atrium REIT's activities are predominantly in one industry segment and occur predominantly in Malaysia.

A9. Valuation of Property, Plant & Equipment

The investment properties are valued based on valuations performed by independent registered valuers. During the quarter under review, a revaluation exercise was undertaken by the Trust pursuant to Paragraph 10.02(b)(i) of the Securities Commission's Guidelines on Listed Real Estate Investment Trusts and Malaysian Financial Reporting Standard 140. The revaluation resulted in a revaluation gain of RM20,330,073 and has been incorporated into the financial statements of Atrium REIT as at 31 December 2024.

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

Description of property	Tenure of land	Existing use	Location	Date of latest valuation	Net Book Value	Latest valuation	Revaluation Gain/(Loss)
					RM'000	RM'000	RM'000
Atrium Shah Alam 1 ¹	Freehold	Industrial	Shah Alam	6-Nov-24	99,953	109,400	9,447
Atrium Shah Alam 2 ¹	Freehold	Industrial	Shah Alam	6-Nov-24	88,370	89,300	930
Atrium Shah Alam 3 ¹	Freehold	Industrial	Shah Alam	5-Nov-24	30,517	32,400	1,883
Atrium Shah Alam 4 ¹	Leasehold	Industrial	Shah Alam	5-Nov-24	109,876	107,200	(2,676)
Atrium Shah Alam 5 ¹	Leasehold	Industrial	Shah Alam	5-Nov-24	41,067	42,000	933
Atrium Puchong ¹	Freehold	Industrial	Puchong	5-Nov-24	61,700	64,200	2,500
Atrium USJ ¹	Freehold	Industrial	Subang	6-Nov-24	40,900	41,300	400
Atrium Bayan Lepas 1 ²	Leasehold	Industrial	Bayan Lepas	25-Nov-24	50,642	50,000	(642)
Atrium Bayan Lepas 2 ²	Leasehold	Industrial	Bayan Lepas	25-Nov-24	127,945	135,500	7,555
				Total	<u>650,970</u>	<u>671,300</u>	<u>20,330</u>

1 The valuations of the properties were conducted by Raine & Horne International Zaki & Partners Sdn Bhd., an independent firm of professional valuers.

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

A10. Material Events

There was no material event as at the latest practicable date from the date of this report.

A11. Effect of Changes in the Fund Size of Atrium REIT

During the quarter under review, there was no change to Atrium REIT's fund size of 265,550,680 units.

A12. Changes in Contingent Liabilities

There is no contingent liability to be disclosed.

B. ADDITIONAL DISCLOSURE REQUIREMENT AS PER PARAGRAPH 9.44 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Manager's Investment Objectives

The Manager's investment objectives are to maximise profits in order to reward Unitholders with a stable distribution of income and to acquire quality assets to achieve long term growth in the Net Asset Value ("NAV") per unit. The Manager has achieved its objective of rewarding Unitholders with stable and attractive return through consistent distribution of income since the listing of the Atrium REIT on 2 April 2007. There was no change in the investment objectives of the Atrium REIT as at the date of this report.

B2. Strategies and Policies

There was no change in strategies and policies employed since the preceding financial year.

B3. Review of Performance

	Current Quarter As at 31 December 2024	Immediate Preceding Quarter As at 30 September 2024
Net asset value (RM)	378,697,606	361,784,349
Units in circulation (units)	265,550,680	265,550,680
Net asset value per unit (RM)		
- before distribution	1.4261	1.3624
- after distribution	1.4171	1.3414
Market price per unit (RM)	1.23	1.20
Highest traded price per unit during the quarter (RM)	1.28	1.28
Lowest traded price per unit during the quarter (RM)	1.18	1.18

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

The Net Assets Value and the Net Asset Value per unit for the quarter under review increased as compared to the preceding quarter due mainly to the gain from the revaluation of the investment properties.

Quarter Results

During the quarter under review, Atrium REIT registered a significant rise in gross revenue of RM11.91 million as compared to RM9.44 million in the previous corresponding quarter. This growth was attributed mainly to the rental income generated from the Atrium Shah Alam 4 ("ASA4") lease and step-up in rental rates for some of the existing leases. However, interest income saw a decline due to reduced deposits with licensed bank. This decline was due to the utilisation of the funds for contractor payments related to the Asset Enhancement Initiative at ASA4, payment of the land sub-lease extension premium for Atrium Bayan Lepas 2 and the settlement of the Atrium Shah Alam 5 property ("ASA5") acquisition in the preceding quarter.

The trust expenses for the current quarter, before change in fair value of investment properties marked an increase compared to the corresponding preceding quarter. This increase was

primarily driven by higher finance costs resulting from the issuance of Medium-Term Notes - Tranche 4 (“Tranche 4”) in May 2024.

Despite the decrease in other income and an increase in the expenses, net income (realized) for the quarter saw a 50.00% increase to RM6.48 million, compared to RM4.32 million in the corresponding preceding quarter, as a result of the significant increase in gross revenue.

Twelve Months Results

For the twelve months ended 31 December 2024, Atrium REIT recorded a gross revenue of RM44.99 million, an increase of 21.25% compared to the corresponding preceding period of RM37.10 million. Gross revenue was substantially higher, due to the rental income generated from ASA4 lease and step-up in rental rates for some of the existing leases, as compared to corresponding preceding period. However, interest income saw a decline due to reduced deposits with licensed bank. This decline was due to the utilisation of the funds for contractor payments related to the Asset Enhancement Initiative at ASA4, payment of the land sub-lease extension premium for Atrium Bayan Lepas 2 and the settlement of the ASA 5 acquisition, during the period.

The property operating expenses were significantly higher for the current period due to the scheduled repair and maintenance works carried out for the REIT properties. The trust expenses, before Change in fair value of investment properties were higher compared to the corresponding preceding period mainly due to the higher finance costs, administrative and other expenses. The increase in finance costs was attributed to the issuance of Tranche 4 in May 2024 and a 25-basis-point hike in the Overnight Policy Rate in May 2023. The administration expenses were slightly higher compared to the corresponding preceding period mainly due to the subscription fee for Tranche 4 and the extension fee for renewal of a term loan facility, charged by the banks. As for the other expenses, the increase was for the legal fees incurred for the acquisition of Atrium Shah Alam 5, issuance of Tranche 4 and renewal of term loan.

Despite the decrease in other income and an increase in the expenses, the net income (realized) for the period increased by 24.39% to RM22.80 million compared to RM18.33 million in the corresponding preceding period, as a result of the significant increase in gross revenue.

B4. Comparison with Preceding Quarter

	Current Quarter 01.10.2024 To 31.12.2024 RM	Preceding Quarter 01.07.2024 To 30.09.2024 RM
Gross revenue	11,912,085	11,458,117
Unbilled lease income receivable	1,175,947	1,412,934
	13,088,032	12,871,051
Property expenses	(832,228)	(1,483,096)
Net property income	12,255,804	11,387,955
Interest income	147,828	167,991
Other income	850	550
Change in fair value of investment properties	20,330,073	-
Total income	32,734,555	11,556,496
Trust expenses	(4,752,515)	(4,569,387)
Income before taxation	27,982,040	6,987,109
Taxation	(1,508,958)	-

Net income	26,473,082	6,987,109
Net income for the financial quarter is made up as follows:		
-Realised income	6,476,020	5,574,175
-Unrealised income	19,997,062	1,412,934
	26,473,082	6,987,109

Atrium REIT's net income (realised) for the quarter ended 31 December 2024 was slightly higher compared to the preceding quarter. This was due mainly to the increase in gross revenue and significant decrease in property expenses, despite the slight increase in trust expenses.

B5. Maintenance Costs and Major Capital Expenditure

A total of RM276,838.54 capital expenditure was incurred for ASA4 during the quarter under review.

B6 (a) Economic Outlook

On 15 November 2024, Bank Negara Malaysia released the Economic and Financial Developments in Malaysia for the Third quarter of 2024:

The economy grew by 5.3% in the third quarter

The Malaysian economy expanded by 5.3% in the third quarter of 2024 (2Q 2024: 5.9%), driven by strong investment activity and continued improvement in exports. Investment activity was underpinned by strong spending on structures and machinery and equipment (M&E), while household spending sustained its expansion amid positive labour market conditions and policy support. In the external sector, exports continued to strengthen on the back of recovering external demand and positive spillovers from the global tech upcycle. Meanwhile, imports also grew at a faster pace, following strong demand for capital and intermediate goods to support rising investments and trade. On the supply side, most sectors remained supportive of growth. In particular, the improvement in the manufacturing sector was driven by export-oriented clusters. However, growth was partly offset by maintenance activities in the mining sector. On a quarter-on-quarter, seasonally-adjusted basis, growth momentum moderated to 1.8% (2Q 2024: 2.9%). Overall, the Malaysian economy expanded by 5.2% in the first three quarters of 2024.

Inflation remained stable at 1.9%

During the quarter, both headline and core inflation remained stable at 1.9% (2Q 2024: 1.9%). Higher inflation was observed for diesel (20.1%; 2Q 2024: 5.3%) and vehicle insurance (0.8%; 2Q 2024: -0.1%), which was offset by broader moderation in inflation for food and beverages (1.6%; 2Q 2024: 1.9%), particularly food away from home, cereals, and fresh vegetables. On the whole, the share of Consumer Price Index (CPI) items recording monthly price increases was lower at 38.9% during the quarter (2Q 2024: 49.4%).

Ringgit appreciated against the US dollar and on NEER basis

In the third quarter of 2024, the ringgit appreciated by 14.9% against the US dollar, while the ringgit nominal effective exchange rate (NEER) also appreciated by 9.9%. This, in part, can be attributed to the shift towards a monetary policy easing stance by the US Federal Reserve, which has alleviated pressure on regional currencies, including the ringgit. However, the ringgit has since depreciated by 7.8% against the US dollar between 1 October and 13 November 2024. This was mainly driven by a stronger US dollar in the same period, amid expectations for smaller US policy rate reductions following robust US economic data. Nevertheless, on a year-

to-date basis (as at 13 November 2024), the ringgit appreciated by 3.1% against the US dollar (NEER: +6.6%). Moving forward, movements in the ringgit will continue to be influenced by external developments. Nevertheless, Malaysia's favourable macroeconomic outlook and ongoing structural reforms would support the ringgit over the medium term. BNM will continue to ensure the orderly functioning of the domestic foreign exchange market.

Credit growth for businesses moderated, while household loan growth remained sustained

Credit growth to the private non-financial sector moderated (4.8%, 2Q 2024: 5.5%), following slower growth in outstanding business loans and corporate bonds. Slower loan growth was attributed to non-SMEs, while SME loan growth remained forthcoming. By sector, loan growth to the services sector was sustained, while loan growth for the manufacturing and construction sectors moderated. For households, loan growth remained steady, driven by loans for the purchase of housing and cars. Growth in household loan applications remained robust with sustained approval rates.

Sustained expansion in domestic demand and improvement in external demand to support growth

Bank Negara Malaysia Governor Dato' Seri Abdul Rasheed Ghaffour said, 'Going forward, growth of the Malaysian economy will be driven by robust expansion in investment activity, continued improvement in exports, and resilient household spending.'

On the domestic front, investment activities will be supported by progress in multi-year projects across private and public sectors. Catalytic initiatives announced in national master plans and higher realisation of approved investments are also key drivers for investment activities. These investments, which are supported by higher capital imports, will raise exports and expand productive capacity in the economy. Household spending will be underpinned by continued employment and wage growth as well as policy measures. Externally, the ongoing global tech upcycle, continued strong demand for manufactured goods and commodities, and higher tourist spending are expected to lift exports. The growth outlook remains subject to downside risks stemming from slower external demand, further escalation of geopolitical tensions and protectionist measures, as well as weaker-than-expected commodity production. Nevertheless, upside risks to growth include greater spillovers from the tech upcycle, faster implementation of investment projects and more robust tourism activity.

Year to date, inflation averaged at 1.8%

Year to date, both headline and core inflation averaged at 1.8%. Spillovers from the diesel price adjustment to broader prices have been contained, given effective mitigation and enforcement measures to minimise the impact on business costs and pass-through to retail prices. Going forward, the outlook for inflation will depend on the implementation of further domestic policy measures on subsidies and price controls, as well as global commodity prices and financial market developments.

(source: https://www.bnm.gov.my/-/qb24q3_en_pr)

B6 (b) Prospects

As of 31 December 2024, the Trust's property portfolio maintained its 100% occupancy rate, except for newly acquired property ASA5. The Manager is pleased to inform that a new tenant has been secured for ASA5. The tenancy agreement has been executed and is pending stamping. An Asset Enhancement Initiative (AEI) will be undertaken to customize the property to the tenant's requirements. The tenancy shall commence upon completion of the AEI/. The AEI is expected to be funded through bank borrowings, as this aligns with the Manager's strategy while maintaining a manageable gearing level even after the borrowings.

The Manager remains cautious owing to the uncertainties surrounding the economic rebound amid the global economic slowdown, inflationary pressures, the on-going wars, trade wars and geopolitical risks. Despite these uncertainties and the challenging market environment, the Manager is of the view that Atrium REIT's property portfolio will remain resilient and is expected to continue delivering sustainable performance throughout the financial year of 2025.

B7. Portfolio Composition

As at 31 December 2024, the portfolio composition of Atrium REIT is as follows:

Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 31 December 2024	Date of Valuation	Cost of Investment	Latest valuation	Net Book Value (A)	Percentage of (A) over Net Assets Value
		%		RM'000	RM'000	RM'000	%
Atrium Shah Alam 1	Freehold	100	6 November, 2024	60,003	109,400	99,953	26%
Atrium Shah Alam 2	Freehold	100	6 November, 2024	64,495	89,300	88,370	23%
Atrium Shah Alam 3	Freehold	100	5 November, 2024	31,544	32,400	30,517	8%
Atrium Shah Alam 4	Leasehold	100	5 November, 2024	124,349	107,200	109,876	29%
Atrium Shah Alam 5	Leasehold	0	5 November, 2024	41,067	42,000	41,067	11%
Atrium Puchong	Freehold	100	5 November, 2024	39,044	64,200	61,700	16%
Atrium USJ	Freehold	100	6 November, 2024	25,000	41,300	40,900	11%
Atrium Bayan Lepas 1	Leasehold	100	25 November, 2024	50,372	50,000	50,642	13%
Atrium Bayan Lepas 2	Leasehold	100	25 November, 2024	137,240	135,500	127,945	34%
				573,114	671,300	650,970	

B8. Utilisation of Proceeds Raised from Issuance of New Units

B8.1 Rights Issue of 58,464,480 units

Purpose	Proposed Utilisation RM (million)	Actual Utilisation RM (million)	Deviation RM (million)	Balance		Intended Time Frame for Utilisation
				RM (million)	%	
Part finance proposed acquisition of ABL1 & ABL2 and its related expenses	58.2	45.5	-	12.7	21.8	[#] By 30 June 2025
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Completed
Total	59.6	46.9	-	12.7	21.3	

[#]The Board of the Manager has resolved to utilize the balance of the proceeds for the extension of the tenure of land leases for ABL 1. The extension process for ABL 1 is still ongoing, despite the Manager's diligent efforts to complete the extension by 30 June 2024. Due to the lengthy administrative and procedural requirements of Pejabat Tanah dan Galian Pulau Pinang, the Board has on 30 July 2024 resolved to extend the utilization of the funds to 30 June 2025.

B8.2 Private Placement and Special Issuance 60,925,000 units

Purpose	Proposed Utilisation RM (million)	Actual Utilisation RM (million)	Deviation RM (million)	Balance		Intended Time Frame for Utilisation
				RM (million)	%	
Part finance proposed AEI of ASA4@Sek 16, Shah Alam and its related expenses	84.4	77.9	-	6.5	7.7	[#] 30 September 2025
Defray estimated expenses relating to the Private Placement	0.9	0.9	-	-	-	Completed
Total	85.3	78.8	-	6.5	7.6	

[#]The Board has on 29 October 2024 resolved to extend the deadline for utilization of the funds, including the retention sum to 30 September 2025.

B9. Status of Corporate Proposal

There was no corporate proposal announced during the current financial quarter.

B10. Material Litigation

There was no material litigation cases or events that occurred during the quarter under review.

B11. Soft Commission

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

B12. Revenue Recognition

Rental and interest income are recognized on an accrual basis.

B13. Receivables, Deposits and Prepayments

	As at 31 December 2024 RM	As at 30 September 2024 RM
Trade receivables		
Third parties	84,489	298,389
Less: Impairment losses	-	-
Total trade receivables	84,489	298,389
Other receivables, deposits and prepayments	8,472,047	12,729,304
Receivables, Deposits and Prepayments	8,556,536	13,027,693

Ageing analysis of trade receivables

	Total Due (RM)	0 – 15 days (RM)	16 – 30 days (RM)	31 – 45 days (RM)	> 45 days (RM)
Related Parties	112	112	-	-	-
Non-Related Parties	84,377	3,050		2,750	78,577
Total	84,489	3,162	-	2,750	78,577

B14. Manager's Fees

The Manager received a fee of 1.0% per annum of the NAV of the Trust during the quarter under review.

B15. Trustee's Fees

The Trustee received a fee of 0.1% per annum of the NAV of the Trust during the quarter under review.

B16. Borrowings and Debt Securities

	As at 31 December 2024 RM	As at 30 September 2024 RM
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	8,856,391	4,118,661
<u>Long Term Financing (secured)</u>		
Term Loan	20,000,000	20,000,000
Term Loan 2	10,765,288	10,765,288
Term Loan 3	18,400,000	18,400,000
Term Loan 4	4,065,844	4,065,842
Medium Term Notes		
- Tranche 1	35,000,000	35,000,000
- Tranche 2	87,000,000	87,000,000
- Tranche 3	36,000,000	36,000,000
- Tranche 4	32,800,000	32,800,000
Total	292,487,523	287,749,791

B17. Taxation

Atrium REIT intends to distribute at least 90% of the distributable income (realised) to unitholders for the financial year 2024, which is exempt from tax pursuant to Section 61A(1) of Income Tax Act, 1967 under the Finance Act, 2006. Thus, Atrium REIT is not expected to incur any tax expenses for the financial year and as such, has not provided any tax expense for this current financial quarter.

B18. Distribution to Unitholders

For the current quarter ended 31 December 2024, the Manager declared a fifth and final income distribution of 0.90 sen per unit, amounting to RM2,389,956.12 in respect of the financial month of December 2024. The book closure and payment dates in respect of the final income distribution have been fixed on 12 February 2025 and 26 February 2025 respectively.

Distributions to unitholders are from the following sources:

	Current Year to Quarter	Preceding Year Corresponding Quarter	Current Year To Date	Preceding Year To Date
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RM	RM	RM	RM
Rental income (realised)	11,912,085	9,443,195	44,990,369	37,104,433
Interest income	147,828	338,842	751,665	1,560,303
Other income	850	76,576	2,606	95,403
Total income	12,060,763	9,858,613	45,744,640	38,760,139
Property operating expenses	(832,228)	(1,128,089)	(4,178,440)	(3,203,278)
Trust expenses	(4,752,514)	(4,413,038)	(18,766,710)	(17,227,631)
Total Expenses	(5,584,742)	(5,541,127)	(22,945,150)	(20,430,909)
Realised income before taxation	6,476,021	4,317,486	22,799,490	18,329,230
Taxation	-	-	-	-
Realised income for the period	6,476,021	4,317,486	22,799,490	18,329,230
Undistributed realised income				
- Previous year's	866,575	860,341	866,575	860,341
- Previous quarter's	71,767	203,109	-	-
Total realised income available for distribution	7,414,363	5,380,936	23,666,065	19,189,571
Declared income distribution	(6,373,216)	(4,514,362)	(22,624,918)	(18,322,997)
Balance undistributed realised income	1,041,147	866,574	1,041,147	866,574
Distribution per unit (sen)				
- Declared	2.40*	1.70	8.52	6.90

* Includes the fourth interim income distribution of 1.50 sen per unit for the two (2) months period from 1 October 2024 to 30 November 2024 which was declared on 2 December 2024 and paid on 31 December 2024.

B.19 Earnings Per Unit

	Current Year Quarter ended 31 December 2024	Corresponding Quarter ended 31 December 2023	Year to Date ended 31 December 2024	Year to Date ended 31 December 2023
Units in circulation (units)	265,550,680	265,550,680	265,550,680	265,550,680
Weighted average units in circulation (units)	265,550,680	265,550,680	265,550,680	263,742,461
Net Income for the period (including unrealised income) (RM)	27,982,040	9,782,041	48,119,756	25,711,506
Net Income for the period (realised) (RM)	6,476,020	4,317,486	22,799,487	18,329,231
Earnings/ per unit (including unrealised income) (sen)				
- after Manager's fees	9.97	3.68	17.55	9.75
- before Manager's fees	10.32	4.02	18.91	11.07
Earnings per unit (realised) (RM)				
- after Manager's fees	2.44	1.63	8.59	6.95
- before Manager's fees	2.79	1.96	9.94	8.27

B20. Responsibility Statement

In the opinion of the Directors of the Manager, this quarterly report has been prepared in accordance with MFRS 134: Interim Financial Reporting and Paragraph 9.44 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the financial position of Atrium REIT as at 31 December 2024 and of its financial performance and cash flows for the quarter/ period ended on that date and duly authorised for release by the Board of the Manager on 24 January 2025.

By Order of the Board

WONG SUI EE

Executive Director

Atrium REIT Managers Sdn Bhd

Registration No: 200501028391 (710526-V)

(As the Manager of Atrium Real Estate Investment Trust)

Kuala Lumpur

Dated: 24 January 2025