



# ATRIUM REAL ESTATE INVESTMENT TRUST

## Condensed Financial Statements

**Second Quarter Ended 30 June 2024**

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**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**CONDENSED STATEMENT OF FINANCIAL POSITION**

	(Unaudited) As at 31.06.2024 RM	(Audited) As at 31.12.2023 RM
<b>ASSETS</b>		
<b>Non-current asset</b>		
Investment properties	633,250,876	583,314,808
Investment properties – accrued lease income	12,385,192	12,385,192
	<u>645,636,068</u>	<u>595,700,000</u>
<b>Current assets</b>		
Trade and other receivables	11,530,784	10,837,980
Deposits with a licensed bank	18,574,877	36,564,571
Bank balances	1,750,724	823,476
	<u>31,856,385</u>	<u>48,226,027</u>
<b>TOTAL ASSETS</b>	<u>677,492,453</u>	<u>643,926,027</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Tenants’ deposits	17,778,565	15,420,567
Borrowings	244,031,130	191,231,130
Deferred tax liability	10,235,744	10,235,744
	<u>272,045,439</u>	<u>216,887,441</u>
<b>Current liabilities</b>		
Trade and other payables	1,731,615	9,599,785
Borrowings	43,554,035	60,602,670
	<u>45,285,650</u>	<u>70,202,455</u>
<b>TOTAL LIABILITIES</b>	<u>317,331,089</u>	<u>287,089,896</u>
<b>NET ASSET VALUE (“NAV”)</b>	<u>360,161,364</u>	<u>356,836,131</u>
<b>FINANCED BY:</b>		
<b>UNITHOLDERS’ FUNDS</b>		
Unitholders’ capital	288,477,719	288,477,719
Undistributed income	71,683,645	68,358,412
<b>TOTAL UNITHOLDERS’ FUNDS</b>	<u>360,161,364</u>	<u>356,836,131</u>
<b>NUMBER OF UNITS IN CIRCULATION</b>	<u>265,550,680</u>	<u>265,550,680</u>
<b>NAV PER UNIT (RM)</b>		
- before income distribution	1.3563	1.3438
- after income distribution (Note 1)	1.3361	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 to be distributed as second interim income distribution for 2024 of 2.02 sen per unit, payable on 29 August 2024)*

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

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>Current Year to Quarter 30.06.2024 RM</b>	<b>Preceding Year Corresponding 30.06.2023 RM</b>	<b>Current Year to Date 30.06.2024 RM</b>	<b>Preceding Year to Date 30.06.2023 RM</b>
Gross revenue	10,723,971	9,213,811	21,620,167	18,412,035
Unbilled lease income receivable	1,448,124	660,098	2,401,314	1,312,943
	12,172,095	9,873,909	24,021,481	19,724,978
Property operating expenses	(665,153)	(647,980)	(1,863,116)	(1,278,179)
<b>Net rental income</b>	11,506,942	9,225,929	22,158,365	18,446,799
Interest income	191,823	432,382	435,846	845,441
Other income	-	-	1,207	827
<b>Total income</b>	11,698,765	9,658,311	22,595,418	19,293,067
<b>Trust expenses</b>				
Manager's fees	(889,721)	(875,389)	(1,777,487)	(1,713,866)
Trustee's fees	(88,972)	(87,539)	(177,749)	(171,387)
Auditors' fees	(11,550)	(11,400)	(23,900)	(22,800)
Tax agent's fees	(2,130)	(4,780)	(5,430)	(5,980)
Finance costs	(3,130,402)	(2,881,574)	(6,015,481)	(5,679,583)
Administrative expenses	(544,534)	(307,432)	(1,184,763)	(767,904)
Others	(180,000)	(55,000)	(260,000)	(150,000)
<b>Total Expenses</b>	(4,847,309)	(4,223,114)	(9,444,810)	(8,511,520)
<b>Income/(loss) before taxation</b>	6,851,456	5,435,197	13,150,608	10,781,547
Taxation	-	-	-	-
<b>Net income/(loss) for the period</b>	6,851,456	5,435,197	13,150,608	10,781,547

**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
	30.06.2024 RM	30.06.2023 RM	30.06.2024 RM	30.06.2023 RM
<b>Total comprehensive income for the period</b>	6,851,456	5,435,197	13,150,608	10,781,547
<b>Net income for the period is made up as follows:</b>				
-Realised Income	5,403,332	4,775,099	10,749,294	9,468,604
-Unrealised - Unbilled lease income receivable <sup>1</sup>	1,448,124	660,098	2,401,314	1,312,943
	6,851,456	5,435,197	13,150,608	10,781,547

**Earnings per unit (including unrealised income) (sen)**

- after manager's fees	2.58	2.05	4.95	4.12 <sup>#</sup>
- before manager's fees	2.92	2.38	5.62	4.77 <sup>#</sup>

**Earnings per unit (realised) (sen)**

- after manager's fees	2.03	1.80	4.05	3.62 <sup>#</sup>
- before manager's fees	2.37	2.13	4.72	4.27 <sup>#</sup>

**Distribution per unit (sen)**

- Proposed/Declared	2.02	1.75	4.02	3.50
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<sup>1</sup> 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.

<sup>#</sup> Based on weighted average number of units in issue after the issuance and listing of 10,000,000 units (Note B19)

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 30.06.2024**

← Undistributed Income →

	<b>Unitholders’ Capital RM</b>	<b>Realised RM</b>	<b>Unrealised RM</b>	<b>Total RM</b>
<b>At 1 January 2024</b>	288,477,719	5,380,935	62,977,477	356,836,131
<b>Operations for the period from</b>				
- 1 January 2024 to 30 June 2024				
Net income for the period	-	10,749,294	2,401,314	13,150,608
Other comprehensive income, net of tax	-	-	-	-
<b>Total comprehensive income</b>	-	10,749,294	2,401,314	13,150,608
<b>Unitholders’ transactions</b>				
Distributions to unitholders				
- 2023 Final	-	(4,514,361)	-	(4,514,361)
- 2024 Interim	-	(5,311,014)	-	(5,311,014)
Decrease in net assets resulting from unitholders’ transactions	-	(9,825,375)	-	(9,825,375)
<b>Net assets as at 30 June 2024</b>	<b>288,477,719</b>	<b>6,304,854</b>	<b>65,378,791</b>	<b>360,161,364</b>

**ATRIUM REAL ESTATE INVESTMENT TRUST**  
**UNAUDITED CONDENSED STATEMENT OF CHANGES IN NET ASSET VALUE**  
**For The Period from 01.01.2023 to 30.06.2023**

	← Undistributed Income →			
	Unitholders' Capital RM	Realised RM	Unrealised RM	Total RM
<b>At 1 January 2023</b>	274,487,719	5,715,803	55,595,201	335,798,723
<b>Operations for the period from -1 January 2023 to 30 June 2023</b>				
Net income for the period	-	9,468,604	1,312,943	10,781,547
Total comprehensive income	-	9,468,604	1,312,943	10,781,547
<b>Unitholders' transactions</b>				
Issuance of units via Special Issuance	14,000,000	-	-	14,000,000
Distributions to unitholders				
- 2022 Final	-	(4,855,463)		(4,855,463)
- 2023 Interim	-	(4,647,137)		(4,647,137)
Listing Expenses	(10,000)	-	-	(10,000)
Increase/(Decrease) in net assets resulting from unitholders' transactions	13,990,000	(9,502,600)	-	4,487,400
<b>Net assets as at 30 June 2023</b>	288,477,719	5,681,807	56,908,144	351,067,670

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**  
**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**

	<b>Current Period to Date</b>	<b>Preceding Year Corresponding Year to Date</b>
	<b>30.06.2024</b>	<b>30.06.2023</b>
	<b>RM</b>	<b>RM</b>
<b><u>Cash Flow From Operating Activities</u></b>		
Income before taxation	13,150,608	10,781,547
Adjustments for:		
Interest income	(435,846)	(845,441)
Interest expense	6,015,481	5,679,584
Operating income before working capital changes	18,730,243	15,615,690
Increase in trade and other receivables	(692,804)	(2,841,225)
Increase/ (Decrease) in trade and other payables	(5,510,171)	2,020,375
Net cash used in/ generated from operating activities	12,527,268	14,794,840
<b><u>Cash Flow From Investing Activity</u></b>		
Acquisition of investment property	(41,000,000)	-
Enhancement of investment property	(8,936,068)	(26,764,990)
Interest income	435,846	845,441
Net cash used in investing activity	(49,500,222)	(25,919,549)
<b><u>Cash Flow From Financing Activities</u></b>		
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	(6,015,481)	(5,679,584)
Distribution to unitholders	(9,825,375)	(9,502,600)
Net cash used in/generated from financing activities	16,959,144	(1,192,184)
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(20,013,810)</b>	<b>(12,316,893)</b>
<b>Cash and Cash Equivalents at the Beginning of the Period</b>	<b>36,385,376</b>	<b>63,690,100</b>
<b>Cash and Cash Equivalents at the End of the Period</b>	<b>16,371,566</b>	<b>51,373,207</b>
Cash and bank balances	1,750,724	2,691,891
Deposits with licensed financial institution	18,574,877	48,681,316
Bank overdraft	(3,954,035)	-
	<b>16,371,566</b>	<b>51,373,207</b>

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 30 June 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:

During the financial quarter under review, Atrium REIT Capital issued RM32,800,000 of unrated Medium Term Notes - Tranche 4, which were fully subscribed by Public Bank Berhad.

**A7. Income Distribution**

During the quarter under review, Atrium REIT paid the first income distribution of 2.00 sen per unit, amounting to RM5,311,013.60 in respect of the realised income for the period from 1 January 2024 to 31 March 2024 on 4 June 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 carrying value of investment properties as at 30 June 2024 is based on the valuation of independent registered valuers from the previous audited financial statements for the financial year ended 31 December 2023 and subsequent capital expenditure incurred up to the reporting date.

**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**

	<b>Current Quarter As at 30 June 2024</b>	<b>Immediate Preceding Quarter As at 31 March 2024</b>
Net asset value (RM)	360,161,364	358,620,921
Units in circulation (units)	265,550,680	265,550,680
Net asset value per unit (RM)		
- before distribution	1.3563	1.3505
- after distribution	1.3361	1.3305
Market price per unit (RM)	1.27	1.34
Highest traded price per unit during the quarter (RM)	1.40	1.41
Lowest traded price per unit during the quarter (RM)	1.26	1.33

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

There were no significant changes in the Net Assets Value and the Net Asset Value per unit for the quarter under review as compared to the preceding quarter.

#### **Quarter Results**

During the quarter under review, Atrium REIT registered a rise in gross revenue, increasing from RM9.21 million in the previous corresponding quarter to RM10.72 million. This growth is attributed mainly to the rental income generated from commencement of the lease for the recently completed Atrium Shah Alam 4 property (“ASA4”) 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 is due to lower available funds, primarily because of payments made to contractors for the Asset Enhancement Initiative at ASA4 and settlement of acquisition of Atrium Shah Alam 5 property (“ASA5”) which was concluded in May 2024.

The trust expenses for the current quarter marked an increase compared to the corresponding preceding quarter. This increase was primarily driven by higher finance costs, administrative and other expenses. The increase in finance costs was attributed to the issuance of Medium-Term Notes - Tranche 4 (“Tranche 4”) in May 2024 and a 25-basis-point hike in the Overnight Policy Rate (“OPR”) in May 2023.

Administrative expenses for the quarter increased primarily 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 quarter saw a 13.16% increase to RM5.40 million compared to the corresponding preceding quarter.

### **Six Months Results**

For the six months ended 30 June 2024, Atrium REIT recorded a gross revenue of RM21.62 million, an increase of 17.42% compared to the corresponding preceding period of RM18.41 million. Gross revenue was higher due to the rental income generated from commencement of the lease for the recently completed Atrium Shah Alam 4 property (“ASA4”) and step-up in rental rates for some of the existing leases as compared to corresponding preceding period.

The property operating expenses were significantly higher for the current period due to additional provision for the scheduled repair and maintenance works to be carried out during the year. The trust expenses 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 (“OPR”) in May 2023. The administration expenses were significantly 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 recently concluded legal suit, 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 13.53% to RM10.75 million compared to RM9.47 million in the corresponding preceding period.

#### **B4. Comparison with Preceding Quarter**

	<b>Current Quarter 01.04.2024 To 30.06.2024 RM</b>	<b>Preceding Quarter 01.01.2024 To 31.03.2024 RM</b>
Gross revenue	10,723,971	10,896,197
Unbilled lease income receivable	1,448,124	953,190
	12,172,095	11,849,387
Property expenses	(665,153)	(1,197,963)
<b>Net property income</b>	11,506,942	10,651,424
Interest income	191,823	244,023
Other income	-	1,207
	11,698,765	10,896,654
Trust expenses	(4,847,309)	(4,597,502)
<b>Income before taxation</b>	6,851,456	6,299,152
Taxation	-	-
<b>Net income</b>	6,851,456	6,299,152
<b>Net income for the financial quarter is made up as follows:</b>		
-Realised income	5,403,332	5,345,962
-Unrealised income	1,448,124	953,190
	6,851,456	6,299,152

Atrium REIT's net income (realised) for the quarter ended 30 June 2024 was slightly higher compared to the preceding quarter due mainly to substantial decrease in property expenses although trust expenses increased and interest income decreased.

## **B5. Maintenance Costs and Major Capital Expenditure**

A total of RM8,936,068 capital expenditure was incurred during the quarter under review. Of this amount, RM4,800,000 was incurred for the extension of the land lease for Atrium Bayan Lepas 2 (ABL2) while the balance was for the Asset Enhancement Initiative at ASA4.

## **B6 (a) Economic Outlook**

On 17 May 2024, Bank Negara Malaysia released the Economic and Financial Developments in Malaysia for the first quarter of 2024:

### **The economy registered a higher growth of 4.2% in the first quarter**

The Malaysian economy grew at a higher rate of 4.2% in the first quarter of 2024 (4Q 2023: 2.9%), driven by stronger private expenditure and positive turnaround in exports. Household spending was higher amid continued growth in employment and wages. Better investment activities were supported by higher capital spending by both the private and public sectors. Exports rebounded amid higher external demand. On the supply side, most sectors registered higher growth. The manufacturing sector was lifted by a rebound across both the electrical and electronic (E&E) and non-E&E industries. The stronger growth in the services sector was driven by higher retail trade activities and continued support from the transport and storage subsector. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.4% (4Q 2023: -1%).

### **Inflation developments**

Headline inflation remained moderate at 1.7% during the quarter (4Q 2023: 1.6%). The modest increase in headline inflation reflects the policy adjustments to water tariffs in February and services tax for high-usage electricity in March, which increased by 20.8% (4Q 2023: 2.1%) and 0.7% (4Q 2023: 0%) respectively. Core inflation moderated to 1.8% (4Q 2023: 2%), largely driven by continued easing in the food and beverages segment. Inflation pervasiveness edged higher, as the share of Consumer Price Index (CPI) items recording monthly price increases rose to 44.2% during the quarter (4Q 2023: 36.3%). Nonetheless, this remains well below the first quarter long-term average (corresponding first quarter periods during 2011-2019) of 52.2%.

### **Exchange rate developments**

Domestic financial markets continued to be driven mainly by shifting financial market expectations over the monetary policy path of major central banks. In particular, global financial markets reacted to expectations that the US Federal Reserve would maintain its current policy interest rate for a longer period and make fewer policy rate cuts in light of continued strong US economic data. The current pressure reflects broader currency market dynamics and is not specific to Malaysia.

From the beginning of the year until 15 May 2024, the ringgit has depreciated by 2.4% against the US dollar, in line with the movements of other regional currencies. The ringgit also appreciated on a nominal effective exchange rate (NEER) basis, by 0.5%. Bank Negara Malaysia (BNM) is deploying the tools at its disposal to ensure that domestic financial markets remain orderly and continue to function efficiently. In addition, the coordinated initiatives by the Government and BNM with the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs), as well as engagements with corporates and exporters have gained further traction, resulting in greater and more consistent flows into the foreign exchange market. These have helped cushion the pressure on the ringgit. The daily average foreign exchange (FX) trading volume has also increased to USD17.6 billion during the period of 26 February – 15 May 2024 (2 January – 23 February 2024:

USD15 billion) alongside a narrower bid-ask spread, indicating improved liquidity in the domestic FX market.

### **Financing conditions**

Credit growth to the private non-financial sector increased to 5.2% (4Q 2023: 4.8%). This was supported by higher growth in outstanding loans to both businesses (4.9%; 4Q 2023: 3.7%) and households (6.2%; 4Q 2023: 5.7%) while outstanding corporate bonds growth grew at a more moderate pace (3.2%; 4Q 2023: 4.2%). The higher business loan growth was driven mainly by higher growth in investment-related loans. By sector, the stronger growth was supported by the construction and services sectors. For households, outstanding loan growth was higher across most loan purposes, reflecting continued demand for loans, particularly for the purchase of housing and cars.

### **Malaysia's economic growth to be underpinned by resilient domestic expenditure and improvement in external demand**

Growth in 2024 will be driven by resilient domestic expenditure with additional support from the recovery in external demand. On the domestic front, continued employment and wage growth will support household spending. Improvement in tourist arrivals and spending are expected to continue. Investment activities will be driven by progress in multi-year projects across private and public sectors, alongside catalytic initiatives announced in national master plans, as well as the higher realisation of approved investments. The growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation in geopolitical conflicts and larger declines in commodity production domestically. Nonetheless, there are upside risks from greater spillover from the tech upcycle, more robust tourism activities and faster implementation of existing and new investment projects.

### **Headline and core inflation to remain moderate in 2024**

For 2024, headline and core inflation are projected to remain moderate between 2% – 3.5% and 2% – 3%, respectively. These broadly reflect stabilising demand and contained cost pressures, coupled with some potential upside that could arise from the implementation of fuel subsidy rationalisation. The outlook for the rest of the year is dependent on the implementation of domestic policy on subsidies and price controls, as well as global commodity prices and financial market developments.

(source: [https://www.bnm.gov.my/-/qb24q1\\_en\\_pr#:~:text=The%20Malaysian%20economy%20grew%20at,growth%20in%20employment%20and%20wages.](https://www.bnm.gov.my/-/qb24q1_en_pr#:~:text=The%20Malaysian%20economy%20grew%20at,growth%20in%20employment%20and%20wages.)

[/qb24q1\\_en\\_pr#:~:text=The%20Malaysian%20economy%20grew%20at,growth%20in%20employment%20and%20wages.](https://www.bnm.gov.my/-/qb24q1_en_pr#:~:text=The%20Malaysian%20economy%20grew%20at,growth%20in%20employment%20and%20wages.)

## **B6 (b) Prospects**

As of 30 June 2024, the Trust's property portfolio achieved 100% occupancy rate, except for newly acquired property ASA5. The Manager is in the midst of sourcing for suitable tenant(s) to occupy the property.

The Manager remains cautious owing to the uncertainties surrounding the economic rebound amid the global economic slowdown, inflationary pressures, the on-going 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 2024.

## B7. Portfolio Composition

As at 30 June 2024, the portfolio composition of Atrium REIT is as follows:

### Investments in Real Estates

Description of property	Tenure of land	Occupancy rate as at 30 June 2024 %	Date of Valuation	Cost of Investment RM'000	Latest valuation RM'000	Net Book Value (A) RM'000	Percentage of (A) over Net Assets Value %
Atrium Shah Alam 1	Freehold	100	27 November, 2023	60,003	100,000	100,000	28%
Atrium Shah Alam 2	Freehold	100	27 November, 2023	64,495	88,300	88,300	25%
Atrium Shah Alam 3	Freehold	100	28 November, 2023	31,544	30,500	30,500	8%
Atrium Shah Alam 4	Leasehold	100	28 November, 2023	125,079	102,300	106,436	30%
Atrium Puchong	Freehold	100	30 November, 2023	39,044	61,700	61,700	17%
Atrium USJ	Freehold	100	27 November, 2023	25,000	40,900	40,900	11%
Atrium Bayan Lepas 1	Leasehold	100	29 November, 2023	50,372	50,000	50,000	14%
Atrium Bayan Lepas 2	Leasehold	100	29 November, 2023	132,440	122,000	126,800	35%
Atrium Shah Alam 5	Leasehold	0	3 October, 2023	41,000	41,000	41,000	11%
				<b>568,977</b>	<b>636,700</b>	<b>645,636</b>	

## 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	<sup>#</sup> By 31 December 2024
Defray estimated expenses relating to the Rights Issue	1.4	1.4	-	-	-	Completed
<b>Total</b>	<b>59.6</b>	<b>46.9</b>	<b>-</b>	<b>12.7</b>	<b>21.3</b>	

*<sup>#</sup>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 effort 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 31 December 2024.*

### 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	77.7	-	6.7	7.9	<sup>#</sup> By 30 September 2024/25
Defray estimated expenses relating to the Private Placement	0.9	0.9	-	-	-	Completed
<b>Total</b>	<b>85.3</b>	<b>78.6</b>	<b>-</b>	<b>6.7</b>	<b>7.9</b>	

*<sup>#</sup> The Board has on 30 July 2024 resolved to extend the utilization of the funds to 30 September 2024 pending the finalization of the final accounts and to 30 September 2025 for the release of the retention sums.*

## B9. Status of Corporate Proposal

On 6 May 2024, the Manager successfully completed the acquisition of the 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.

## B10. Material Litigation

There were 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 30 June 2024 RM	As at 31 March 2024 RM
<b>Trade receivables</b>		
Third parties	2,163	693,712
Less: Impairment losses	-	-
Total trade receivables	2,163	693,712
<b>Other receivables, deposits and prepayments</b>	11,528,621	13,587,876
<b>Receivables, Deposits and Prepayments</b>	11,530,784	14,281,588

### 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	-	-	-	-	-
Non-Related Parties	2,163	1,500	-	-	663
Total	2,163	1,500	-	-	663

## 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**

	<b>As at 30 June 2024 RM</b>	<b>As at 31 March 2024 RM</b>
<u>Short Term Financing (secured)</u>		
Short Term Revolving Credit	39,600,000	39,600,000
Overdraft	3,954,035	-
<u>Long Term Financing (secured)</u>		
Term Loan	20,000,000	20,000,000
Term Loan 2	10,765,288	10,765,288
Term Loan 3	18,400,000	18,400,000
Term Loan 4	4,065,842	4,065,842
Medium Term Notes		
- Tranche 1	35,000,000	35,000,000
- Tranche 2	87,000,000	87,000,000
- Tranche 3	36,000,000	36,000,000
- Tranche 4	32,800,000	32,800,000
Total	<u>287,585,165</u>	<u>250,831,130</u>

**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 30 June 2024, the Manager has declared a second income distribution of 2.02 sen per unit, amounting to RM5,364,123.74. The book closure and payment dates in respect of the second income distribution have been fixed on 14 August 2024 and 29 August 2024 respectively.

Distributions to unitholders are from the following sources:

	<b>Current Year Quarter</b>	<b>Preceding Year Corresponding Quarter</b>	<b>Current Year To Date</b>	<b>Preceding Year To Date</b>
	<b>30.06.24</b>	<b>30.06.23</b>	<b>30.06.24</b>	<b>30.06.23</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Rental income (realised)	10,723,971	9,213,811	21,620,167	18,412,035
Interest income	191,823	432,382	435,846	845,441
Other income	-	-	1,207	827
<b>Total income</b>	<b>10,915,794</b>	<b>9,646,193</b>	<b>22,057,220</b>	<b>19,258,303</b>
Property operating expenses	(665,153)	(647,980)	(1,863,116)	(1,278,179)
Trust expenses	(4,847,309)	(4,223,114)	(9,444,810)	(8,511,520)
<b>Total Expenses</b>	<b>(5,512,462)</b>	<b>(4,871,094)</b>	<b>(11,307,926)</b>	<b>(9,789,699)</b>
<b>Realised income before taxation</b>	<b>5,403,332</b>	<b>4,775,099</b>	<b>10,749,294</b>	<b>9,468,604</b>
Taxation	-	-	-	-
<b>Realised income for the period</b>	<b>5,403,332</b>	<b>4,775,099</b>	<b>10,749,294</b>	<b>9,468,604</b>
<b>Undistributed realised income</b>				
- Previous year's	866,575	860,341	866,575	860,341
- Previous quarter's	34,948	46,368	-	-
<b>Total realised income available for distribution</b>	<b>6,304,855</b>	<b>5,681,808</b>	<b>11,615,869</b>	<b>10,328,945</b>
<b>Declared income distribution</b>	<b>(5,364,124)</b>	<b>(4,647,137)</b>	<b>(10,675,138)</b>	<b>(9,294,274)</b>
Balance undistributed realised income	940,731	1,034,671	940,731	1,034,671
<b>Distribution per unit (sen)</b>				
- Declared	2.02	1.75	4.02	3.50

## B.19 Earnings Per Unit

	<b>Current Year Quarter ended 30 June 2024</b>	<b>Corresponding Quarter ended 30 June 2023</b>	<b>Year to Date ended 30 June 2024</b>	<b>Year to Date ended 30 June 2023</b>
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	261,904,271
Net Income for the period (including unrealised income) (RM)	6,851,456	5,435,197	13,150,609	10,781,547
Net Income for the period (realised) (RM)	5,403,332	4,775,099	10,749,294	9,468,604
<b>Earnings/ per unit (including unrealised income) (sen)</b>				
- after Manager's fees	2.58	2.05	4.95	4.12
- before Manager's fees	2.92	2.38	5.62	4.77
<b>Earnings per unit (realised) (RM)</b>				
- after Manager's fees	2.03	1.80	4.05	3.62
- before Manager's fees	2.37	2.13	4.72	4.27

## 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 30 June 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 30 July 2024.

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: 30 July 2024