

GENERAL ANNOUNCEMENT

Date Announced	: 08/09/2016
Type	: Announcement
Subject	: Others
Description	: PROPOSED ASSET ENHANCEMENT INITIATIVES AT ATRIUM SHAH ALAM 2
Contents	: Reference is made to the announcement dated 8 January 2016 in relation to the Proposed Asset Enhancement Initiatives ("AEI") at Atrium Shah Alam 2 which is located at Lot 7A, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor Darul Ehsan ("the Property").

The Board of Directors of Atrium REIT Managers Sdn Bhd (Company No. : 710526-V), the Manager of Atrium Real Estate Investment Trust ("Atrium REIT") wishes to announce that the Trustee of Atrium REIT, namely Pacific Trustees Bhd, has accepted the Banking Facility of a Term Loan and Bank Guarantee amounting to RM12,800,000.00 and RM300,000.00 respectively, offered by Public Bank Berhad of Head Office, Menara Public Bank, 146, Jalan Ampang, 50450 Kuala Lumpur ("the Bank") via the Bank's Letter of Offer dated 25 August 2016 for the purpose of financing 80% of the total cost of the Proposed AEI at Atrium Shah Alam 2 on 8 September 2016 ("Bank Facility").

The AEI commenced in the first quarter of 2016 and is fully completed at a total contract sum of approximately RM16 million.

1. FINANCIAL IMPACT OF THE AEI

With the completion of the AEI, the Property is expected to contribute positively to the earnings of Atrium REIT as Atrium REIT has secured a new tenant for the Property w.e.f. 1 April 2016. The AEI is also expected to enhance the market value of the Property.

2. GEARING

As 80% of the total cost of the AEI would be financed through the Bank Facility, the AEI is expected to increase Atrium REIT's bank borrowings from RM59,600,000 to RM72,400,000 and the gearing ratio will increase from 24.87% to 30.21% based on the total assets as at 30 June 2016 which is still below the gearing limit of 50% prescribed under the Guideline on Real Estate Investment Trust issued by the Securities Commission Malaysia.

3. DIRECTORS' AND/OR MAJOR SHAREHOLDERS' INTERESTS

None of the directors, major shareholders and/or persons connected to them has any interest, direct or indirect, in the AEI.