

GENERAL ANNOUNCEMENT

Date : 05/10/2016
Announced

Type : Announcement

Subject : OTHERS
PROPOSED ACQUISITION OF PROPERTY SITUATED AT SHAH ALAM,
SELANGOR DARUL EHSAN

Contents : Reference is made to the announcement dated 4 October 2016 in relation to the proposed acquisition of a double storey office with annexed two adjoining single storey factories located at under No. 17, Persiaran Sabak Bernam, Section 26 Shah Alam Industrial Estate, 40000 Shah Alam, Selangor Darul Ehsan ("the Property") at a purchase consideration of Ringgit Malaysia Twenty Three Million (RM23,000,000.00) only from Pacific BBA (Malaysia) Sdn Bhd (Company No. 207788-D) ("Proposed Acquisition").

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 Berhad, had accepted the Banking Facility of a Term Loan and Bank Guarantee amounting to RM18,400,000.00 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 22 August 2016 for the purpose of financing 80% of the purchase consideration of the Property on 5 October 2016.

The Proposed Acquisition is expected to be completed in the 4th quarter of 2016.

1. FINANCIAL IMPACT OF THE PROPOSED ACQUISITION

The Proposed Acquisition is not expected to have any material effect to the earnings of Atrium REIT for the financial year ending 31 December 2016 as the Proposed Acquisition is only expected to be completed in the 4th quarter of 2016. Thereafter, the Proposed Acquisition is expected to be earning accretive to the future earnings of Atrium REIT.

2. GEARING

As 80% of the purchase consideration of the Property would be financed through bank borrowings, the Proposed Acquisition is expected to increase Atrium REIT's bank borrowings from RM59,600,000 to RM78,000,000 and the gearing ratio will increase to 30.3% based on the audited total assets as at 31 December 2015 (post acquisition) which is still below the gearing limit of 50% prescribed under the Guidelines 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 Proposed Acquisition.

This announcement is dated 5 October 2016.