

## **GENERAL ANNOUNCEMENT**

Date : 14/02/2019  
Announced

Type : Announcement

Subject : MULTIPLE PROPOSALS

Description : ATRIUM REAL ESTATE INVESTMENT TRUST ("ATRIUM REIT")

- (I) PROPOSED ACQUISITION 1;
- (II) PROPOSED ACQUISITION 2;
- (III) PROPOSED PLACEMENT; AND
- (IV) PROPOSED RIGHTS ISSUE

(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")

Contents : *The terms used herein shall have the same meaning as those defined in the announcement made on 12 February 2019 unless otherwise stated.*

We refer to Atrium REIT's announcement dated 12 February 2019 ("**Announcement**") and 13 February 2019 in relation to the Proposals.

In relation thereto, on behalf of the Board of the Manager, UOBKH wishes to announce the following additional information pertaining to the Proposals:-

### 1. Basis and justification for the Purchase Considerations;

As disclosed in **Section 2.7** of the Announcement, the premium of RM10.0 million for Property 2 takes into consideration, amongst others, the Leaseback Agreement 2, the scarcity of available industrial properties in Bayan Lepas industrial zone and the Greenfield Development. In the event the Greenfield Development is undertaken, Atrium REIT is expected to charge additional rental for the newly leasable area /newly constructed facilities at a rate to be mutually agreed by the parties. This could potentially enhance the earnings and dividend yield of the REIT in the future.

### 2. Effects of the finance costs on the earnings and distributable income; and

Given that Atrium REIT intends to part fund the Proposed Acquisitions through bank borrowings, the finance costs arising from the said bank borrowings will partially set off the earnings to be derived from the Leaseback Arrangements. Nevertheless, the Board is of the view that the net earnings will increase the EPU and DPU of Atrium REIT moving

forward.

### 3. The conditionality of the Proposals:-

The Proposed Private Placement is not conditional upon the Proposed Acquisitions. In the event the Proposed Acquisitions are terminated, the total net proceeds from the Proposed Placement will be utilised for other future acquisitions of Atrium REIT. The Board is confident that the Manager will be able to identify suitable industrial properties located in the Klang Valley, Penang and Johor to substitute Property 1 and Property 2 in the event the Proposed Acquisitions are terminated. As to-date, the Manager remains active in identifying potential acquisitions to expand Atrium REIT's footprint in the industrial property market.

The Proposed Rights Issue is conditional upon the Proposed Acquisitions as the proceeds to be raised from the Proposed Rights Issue will be utilised to part fund the Proposed Acquisitions and related expenses.

**This announcement is dated 14 February 2019.**

