



# Atrium REIT

**MAIN MARKET  
REITS**

## “Proposed Private Placement and Special Issuance to Fund AEI”

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**Bloomberg: ATRM MK | Reuters: ATRL.KL | Stock Code: 5130**

### Proposed Private Placement and Special Issuance

Atrium REIT has proposed a private placement and special issuance of units to fund asset enhancement initiatives (AEI) on its Atrium Shah Alam 4 industrial property to increase the property’s total gross built up area by approximately 196,473 square feet to 376,026 square feet. However, we would need to wait for information on the terms of the tenancy for Atrium Shah Alam 4 before arriving at an opinion on the proposed private placement and special issuance of units.

The proposed private placement and special issuance of units are expected to dilute the EPU and DPU of Atrium REIT for the financial year ending 31 December 2022.

Atrium REIT’s proposed private placement is for up to 40,925,136 units. The proposed special issuance is for up to 20,000,000 units to Chan Kam Tuck, a major unitholder of Atrium REIT (Mr. Chan holds approximately 21.28% of the total number of issued Atrium REIT units as at 1 July 2022), and/or person connected with him, if any. The proposals could result in enlarged issued unit capital comprising up to 265,550,816 units.

Based on indicative issue price of RM1.40 per unit, the proposals are expected to raise gross proceeds of approximately RM85.3m. The exact amount of the gross proceeds to be raised from the proposals would depend on the actual issue price and the number of units to be issued, which will be determined at a later date.

Atrium REIT plans to utilize RM81m of the gross proceeds for performing AEI on its Atrium Shah Alam 4 property. Additionally, Atrium REIT plans to utilize RM3.1m of the gross proceeds for working capital purposes, and RM1.2m for estimated expenses in relation to the proposals. Any shortfall required to fund the AEI will be financed through Atrium REIT’s internally generated funds and/or bank borrowings.

### Business Overview

Atrium REIT is an industrial asset focused real estate investment trust. Its property portfolio consists of eight industrial properties located in prime locations in the Klang Valley and Penang, namely, Atrium Shah Alam 1, Atrium Shah Alam 2, Atrium Shah Alam 3, Atrium Shah Alam 4, Atrium Puchong, Atrium USJ, Atrium Bayan Lepas 1 and Atrium Bayan Lepas 2.

Details of utilisation	Timeframe for utilisation of proceeds	RM'000	%
(i) AEI for Atrium Shah Alam 4	Within 9 months from the receipt of funds	81,000	94.96
(ii) Working capital	Within 12 months from the receipt of funds	3,095	3.63
(iii) Estimated expenses in relation to the Proposals	Within 1 month from the receipt of funds	1,200	1.41
<b>Total</b>		<b>85,295</b>	<b>100.00</b>

Sources: Company

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Published and printed by:

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