

# Emira Property Fund announces R364m BEE transaction

Emira Property Fund recently announced a transaction that will see 5% of its shares in issue being owned by strategic black partners. Letsema Holdings and Tamela Holdings, through their 100% owned subsidiaries, will both subscribe for 2.5% each, together amounting to 26,133,364 Emira shares. The combined 5% will have a market value of R364.2m, based on the 30-day volume weighted average price of Emira shares on 22 May 2017, of R13.9372 per share.



Geoff Jennett, CEO of Emira

Geoff Jennett, CEO of Emira, explains this BEE transaction secures a strategic, sustainable and commercially driven BEE shareholding which underscores Emira's commitment to achieving sustainable BEE ownership.

Says Jennett: "Emira is serious about transformation and empowerment. With this proposed transaction, our new shareholders and BEE partners, who are respected business people who also have strong BEE credentials, will add valuable strategic input to Emira at board level. Both parties are making a significant investment in Emira and they are as invested as we are in improving Emira's share price and business for the benefit of all stakeholders. As part of the transaction, they are committed to remain invested in Emira for at least a five-year period."

## Strengthened balance sheet

As an added benefit, the transaction also stands to strengthen Emira's balance sheet through the issue of new shares at an undiscounted price. It will also lower Emira's gearing ratio, with the subscription proceeds being deployed to decrease its interest bearing debt.

Tamela is a black-owned and managed investment, corporate finance advisory and fund management company which was founded by Sydney Mhlarhi and Vusi Mahlangu in 2008. Mahlangu is also a non-executive director of Emira, making this a related-party transaction and, as such, a fairness opinion has been compiled by an independent expert.

Letsema Holdings is a privately-held investment holding company founded by Isaac Shongwe and Derek Thomas in 1996 with long-term interests in management consulting, third-party investment management and proprietary investments.

The proposed BEE transaction constitutes a specific issue of shares for cash in terms of the JSE Listings requirements and, as an ordinary resolution, requires the approval of 75% of Emira shareholders.

"We are providing vendor funding for both our BEE partners for a combined R182.1m and this together with third party funding of R145.6m that they have procured and their equity contribution of R36.4m, makes up the total equity issue of R364.2m," says Jennett.