

GREENBAY PROPERTIES LTD

(Incorporated in the Republic of Mauritius on 14 August 2014)

(Registration number C124756 C1/GBL)

SEM share code: GFP.N0000

JSE share code: GRP

ISIN: MU0461N00007

(The “**company**”)



UPDATE IN INVESTMENT STRATEGY, PROPOSED TRANSFER OF STATED CAPITAL AND FURTHER RETURN OF CAPITAL, AMENDMENTS TO THE CONSTITUTION OF THE COMPANY, CHANGE OF NAME AND SHARE CONSOLIDATION

1. Introduction

Shareholders are referred to the company’s previous announcement released on SENS and published on the website of the Stock Exchange of Mauritius Ltd (“**SEM**”) website on Friday, 7 September 2018, which announcement referred, inter alia, to:

- negotiations regarding the possible acquisition of direct retail property opportunities; and
- the board’s rationale and decision to refine the investment strategy and return excess capital to shareholders.

The board of directors of the company (the “**board**”) advises that the negotiations referred to above have been terminated following an unacceptable level of risk identified by the company’s legal advisors.

Following the termination of negotiations on direct retail properties, together with the impact on shareholders of the reclassification of the company from the Real Estate Holding and Development subsector to the Equity Investment Instruments subsector (as referred to in the announcement released on SENS and published on the SEM website on Thursday, 6 September 2018), and in line with the previous decision to reduce exposure to listed equities and gearing, the board has determined it appropriate to propose a further return of capital to shareholders.

Notwithstanding, the company will continue to query the reclassification decision made by the JSE and FTSE Russell.

Accordingly, the company is in the process of preparing a circular to shareholders regarding the following proposals by its board, which are subject to certain shareholder and regulatory approvals:

- a transfer of EUR 450 million from stated capital to non-distributable reserves (the “**transfer**”);
- a capital payment to shareholders of approximately EUR 300 million (subject to the market performance of the company’s investments, and working capital requirements);
- amendments to the constitution of the company to reflect a revised investment strategy;
- a change of the name of the company; and
- the consolidation of the shares of the company on a 20 for 1 basis (the “**consolidation**”).

2. The transfer and return of capital

In compliance with the Mauritian Companies Act 2001, shareholder approval will be sought for the transfer of EUR 450 million from stated capital to non-distributable reserves. Should shareholders approve the transfer, the company will make a pro rata capital payment to shareholders of approximately EUR 300 million (subject to the market performance of the company’s investments, and working capital requirements).

3. Proposed amendment to the constitution to reflect revised investment strategy

The majority of the company’s capital has historically been invested in listed real estate and infrastructure securities. Between 30 June 2016 and 30 September 2018 the company has generated a Euro Internal Rate of Return (“**IRR**”) (based on the company’s net asset values and distributions related to this period) to shareholders of 21.7% p.a. The research, asset allocation and stock-picking skills employed in the company in these sectors, are considered a particular strength by the board.

The board proposes to amend certain provisions of the company's constitution and expand its strategy to reflect its objectives of actively managing its capital and implementing traditional and alternative investment strategies in four primary business segments, being;

- real estate;
- infrastructure;
- private equity; and
- asset management.

The company will continue to invest in listed and physical real estate and listed infrastructure. These asset classes offer exposure to real assets with long economic lives, generating relatively stable, high quality and inflation protected cash flows and value appreciation over the longer term.

In the private equity segment, the company's objective is to seek out opportunistic investments in out-of-favour sectors, together with distressed or underperforming companies in need of restructuring or redirection, provide event-driven financing to small and mid-cap companies globally, or any other attractive investment opportunity.

In the asset management segment, the company will be positioned to manage third party funds and generate income through management fees on general or discretionary investment mandates. The company may align its interests with third party investors by investing alongside them.

The company is in the process of engaging with the relevant regulatory authorities in Mauritius, including the Mauritian Financial Services Commission and the SEM, to obtain the necessary licenses and authorisations required to pursue its intended strategic objectives. Shareholders of the company and other stakeholders will be kept informed accordingly.

The company's investment strategy as proposed is sufficiently flexible that, over time, any of the primary business segments may constitute the majority of the company's investments and/or revenues.

4. Change of name of the company

The board proposes a change of the company name to mark and reflect the proposed shift in investment strategy. It is proposed that the name of the company be changed from "Greenbay Properties Ltd" to "Lighthouse Capital Limited".

5. The consolidation

Given the impact on the company's share price of the recent and proposed returns of capital, the board is of the view that the consolidation of Greenbay shares on a 20 for 1 basis will enhance the marketability of the company's shares to a wider range of potential institutional, professional and public investors.

6. Outlook

As previously stated in the company's interim results announcement for the three and nine months ended 30 June 2018, published on 8 August 2018, the board confirms the forecast total distribution growth for the 2018 financial year to between 15% and 20%. This equates to a distribution for the second half of the 2018 financial year of between 0.24832 and 0.27166 EUR cents per share.

The company's dividend policy for the 2019 financial year and beyond will be determined based on the new investment strategy as set out in paragraph 3 above. Guidance in this regard will be provided as and when appropriate.

The estimated net asset value of the company as at 30 September 2018 was approximately 9.640 EUR cents per share (6.478 EUR cents per share, after the return of capital that was paid on 8 October 2018). The distribution forecast and the approximate net asset value per share of the company as at 30 September 2018 and IRR, are the responsibility of the board and have not been audited, reviewed or reported on by the company's external auditor.

7. General meeting of shareholders

A circular to shareholders, containing a notice convening a general meeting of shareholders at which the resolutions required to give effect to the matters referred to in section 1 above will be proposed, is in the process of being prepared and will be distributed to shareholders in due course.

The company has a primary listing on both the Official Market of the SEM and the Main Board of the JSE.

12 October 2018

For further information please contact:

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**SEM authorised representative
and sponsor**



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This notice is issued pursuant to JSE Listings Requirements, SEM Listing Rules 11.3 and Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Directors of Greenbay Properties Ltd accepts full responsibility for the accuracy of the information contained in this announcement.