

COMMUNIQUE

The Transaction

As disclosed in the cautionary announcement released on 17 March 2022, Compagnie Immobilière Limitée (“CIL”) is seeking to grow and expand its property portfolio. CIL now intends to acquire further yielding assets through the purchase of the entire issued share capital of Multi Channel Retail Limited (“MCR”) from Currimjee Real Estate Ltd (“CRE”), for a total consideration of MUR 712,780,355.83 (“Purchase Consideration”) (“the Transaction”).

As part of the Transaction, CIL will add to its current portfolio: commercial Mixed-Use Properties in Curepipe and Phoenix, an Office Building in Ebène Cybercity, plots of Bare Land in Trianon, a Technical Building in Rose-Hill, as well as a Data Centre in Arsenal for a combined GLA of around 22,000 square metres.

The Consideration

The Purchase Consideration was based on the Net Asset Value (“NAV”) of MCR as at 31 July 2022, which was MUR 712,780,355.83. The Purchase Consideration shall be settled by way of a consideration issue, i.e. through the issue of 577,847 new Ordinary Shares of CIL to CRE (“Consideration Shares”). This corresponds to a share swap ratio of approximately 10 new Ordinary Share of CIL for every 1,332 Ordinary Shares of MCR currently held by CRE. The share swap ratio was determined using the NAV of CIL as at 31 July 2022. The Consideration Shares shall be issued to CRE at a price equal to the NAV per Ordinary Share of CIL as at 31 July 2022, i.e. MUR 1,233.51 per Ordinary Share.

The NAV of MCR and CIL were also confirmed after completion of legal & financial due diligence including structural assessment(s) and property survey(s) carried out by independent consultants.

Rationale behind the Transaction

MCR is a property holding company which derives rental income from its yielding assets. MCR achieved a profit after tax of MUR 32,325,418 for the financial year ended 31 December 2021.

The rationale behind the acquisition of MCR and its yielding assets is to generate additional revenue for CIL, grow its asset base, diversify its portfolio mix both segmentally and geographically, mitigate its current concentration risk of being dependent on a single asset for its revenue generation and also to immediately increase returns for shareholders with further growth opportunities in the medium to long term.

Compliance and Related Party Transaction

The Transaction constitutes a ‘related party transaction’ as defined under the Rules of the Development & Enterprise Market (“DEM”) of the Stock Exchange of Mauritius Ltd (“SEM”) as CRE is currently 100% owned by Currimjee Jeewanjee and Company Limited, the current controlling shareholder of CIL.

The Board of CIL approved the Transaction on 18 October 2022 and they considered the terms of the Transaction to be fair and reasonable insofar as shareholders of CIL are concerned. Directors of CIL having a material interest in the Transaction did not vote at the Board meeting nor were they counted in the quorum for the meeting.

Conditions Precedent

The Transaction is subject to fulfilment of various conditions precedent, including receipt of all requisite regulatory approvals and approval from the bondholders of Currimjee Jeewanjee and Company Limited.

The Transaction is also subject to approval by shareholders of CIL as it is regarded as being a ‘major transaction’ as defined under the Companies Act 2001. A special meeting of shareholders shall be held around end of November 2022 to consider and approve the Transaction.

Further announcement(s) relating to the Transaction shall be issued by CIL once all conditions precedent are fulfilled and all regulatory approvals are obtained.

Share Split

The Board of CIL has on 18 October 2022, further approved and recommended to the shareholders for approval, the split of the shares of CIL in the ratio of 50 Ordinary Shares for every 1 Ordinary Share held. This means that should the shareholders approve the split of shares at the forthcoming special meeting of CIL and subject to receipt of all requisite regulatory approvals, a shareholder will then receive 50 Ordinary Shares free of cost, for each Ordinary Share currently held in CIL. Following the share split, the total number of shares in issue of CIL shall be 42,212,350.

It is to be noted that the share split will not impact market capitalisation but rather proportionately affect the market share price and will make the CIL’s shares more marketable. The Directors believe that a share split will greatly improve the liquidity in the CIL’s shares and make the shares more attractive both to its current shareholders and potential investors.

The effective date for the split of shares will be communicated after the special meeting of shareholders.

By order of the Board

19 October 2022

For further information please contact:

Company Secretary

CURRIMJEE
SINCE 1890

CURRIMJEE SECRETARIES LIMITED
+230 650 6270

Transaction Advisor

Perigeum
Capital

+230 402 0890

This communiqué is issued pursuant to DEM Rules 13.2 and 21.1. The Board of Directors of CIL accepts full responsibility for the accuracy of the information contained in this communiqué.