

EMIRA PROPERTY FUND LIMITED

Incorporated in the Republic of South Africa

(Registration number 2014/130842/06)

JSE share code: EMI ISIN: ZAE000203063

JSE Bond Company Code: EMII

(Approved as a REIT by the JSE)

("Emira" or the "Company")



ANNOUNCEMENT REGARDING A GENERAL OFFER BY EMIRA TO ACQUIRE UP TO 100% OF THE ISSUED SHARES (OTHER THAN THOSE SHARES ALREADY OWNED) OF TRANSCEND RESIDENTIAL PROPERTY FUND LIMITED ("TRANSCEND")

1. Introduction

Emira Property Fund Limited ("the Offeror") currently holds 66,697,178 shares in Transcend representing 40.69% of the issued share capital of Transcend.

Emira has informed the board of directors of Transcend ("Transcend Board") that it intends to make a General Offer to acquire up to 100% of the entire issued share capital of Transcend, other than those shares already owned by Emira, amounting to a maximum of 97,252,832 Transcend shares ("the Offer" or "the Proposed Transaction").

Shareholders and noteholders are referred to the firm intention announcement released on SENS by Transcend on 13 July 2022, incorporated herein by reference, which sets out the terms and conditions of the Offer.

2. Rationale

Following a recent strategic review by Emira of its portfolio of property investments and group structure, Emira's board of directors ("the Emira Board") concluded that, the current structure incorporating Transcend as an associate investment is not favourable, there are no benefits associated with maintaining two listed entry points into Transcend's assets and Transcend would be better served becoming an Emira subsidiary, where Emira would exercise control.

Emira has previously expressed its desire to increase its residential exposure to the lower LSM value offering segment of the market on which Transcend concentrates. Emira believes that, with Transcend as a subsidiary of Emira, greater synergies and a more focussed strategic drive to increase stakeholder value can be achieved (even more so in the unlisted environment) ensuring that less energy is spent on increasing the size and liquidity of Transcend, with a shift in focus to what will drive existing shareholder value.

The Proposed Transaction provides Transcend shareholders with a liquidity event to convert their shareholding into cash in comparison to remaining invested into an illiquid small cap property fund that cannot achieve sufficient scale to justify the original listing intentions.

This once off liquidity event is at a 12% premium to the R4.80 Clean closing price as at 7 July 2022 and 10.5% to the 90 day volume weighted average traded Clean Price (“VWAP”) of Transcend shares on the JSE.

The Proposed Transaction can be comfortably funded from Emira’s current balance sheet and available liquidity resources, and the impact will be positive to Emira’s distributable income per share, as well as adding to the ultimate net asset value per share for Emira shareholders.

Irrevocable support for the Offer has already been provided by 16,7% of the Transcend shareholders.

3. Information on Transcend

Transcend is a specialist residential focused Real Estate Investment Trust, listed on the Main Board of the JSE.

Transcend’s portfolio of properties comprises income generating residential properties, with a focus on housing opportunities that are affordable and lifestyle enhancing and located in well-situated and high growth urban areas. Transcend’s properties are located in Gauteng and the Western Cape.

4. Categorisation and financial information

The General Offer is categorised as a Category 2 transaction in terms of the JSE Listings Requirements and as such is not subject to Emira shareholder approval.

The following financial information has been extracted from the audited annual financial statements of Transcend for the year ended 31 December 2021 (prepared in accordance with International Financial Reporting Standards):

• Net operating profit (R’000)	166 871
• Net profit (R’000)	219 757
• Dividend per share (cents)	56.39
• Basic earnings per share (cents)	166.27
• Headline earnings per share (cents)	87.95
• Net asset value per share (cents)	808

5. Responsibility statement

The Emira Board accepts responsibility for the information contained in this announcement insofar as it relates to Emira. To the best of its knowledge and belief, such information contained herein is true and nothing has been omitted which is likely to affect the importance of such information.

Corporate Advisor to Emira

DG Capital Advisory

Transaction Sponsor

Questco Corporate Advisory Proprietary Limited

Legal Advisor to Emira

White & Case

Debt Sponsor

Rand Merchant Bank, a division of FirstRand Bank Limited