CHANGE IN TARGETED INVESTMENT JURISDICTIONS AND ACQUISITION OF CLUB MED CAP SKIRRING HOTEL IN SENEGAL THROUGH A SALE AND LEASEBACK

CHANGE IN TARGETED INVESTMENT JURISDICTIONS

As disclosed in its Listing Particulars dated 9 May 2017, Paradise Property was established with the primary objective of investing into properties (directly or indirectly) with triple net, long term leases in the hospitality sector within the Indian Ocean region, including amongst others Madagascar, Seychelles and Mauritius.

The Board of directors (the “Board”) of Paradise Property now intends to extend the range of the targeted investment jurisdictions to other African countries, including Senegal.

The Company will continue to identify yield accretive assets that will generate hard currency returns to its shareholders while at the same time partnering with blue chip hotel brands in the different countries to generate sustainable rental income.

ACQUISITION OF CLUB MED CAP SKIRRING HOTEL IN SENEGAL THROUGH A SALE AND LEASEBACK

On 23 July 2019, the Company, through its wholly-owned subsidiary Casamance Holdings Limited (the “Purchaser”), has entered into a sale and purchase agreement (the “Agreement”) relating to the shares of Société Immobilière et de Gestion Hôtelière du cap Skirring (“SIGHC”) with Club Med SAS (the “Seller” or “Club Med”).

Under the terms of the Agreement, the Purchaser will acquire 100% of the shares in SIGHC (the “Shares”), the owner of the property known as Club Med Cap Skirring, a 4-trident hotel (the “Village”) situated at the Club Med resort at Vacap Cap Skirring B.P 46 SN, Kabrousse 27009, Senegal (the “Property”) and the rental enterprise conducted by SIGHC on the Property, as a going concern, for a provisional purchase consideration of EUR 11.6 million (“Provisional Purchase Consideration”), subject to adjustments and settlement of Intra-Group Loan accounts as set out below (the “Acquisition”).

Under the terms of the Agreement, Club Med, acting on behalf of SIGHC, will renovate part of the hotel and expand the Village at a development cost of EUR 25 million, capped at EUR 28 million. The development program will be carried out by Club Med as SIGHC’s appointed “Owner’s Agent” who will be responsible for any cost overrun.
The Provisional Purchase Consideration of EUR 11.6 million, will be paid on the Completion Date (which is defined below) in addition to the settlement of the Inter-group loan balances as at that date. The provisional balance of the Inter-group loan to be assigned at 30 September 2019 is EUR 4.0 million.

The Provisional Purchase Consideration was determined with reference to the pro forma balance sheet and the related profit and loss accounts of SIGHC as at 30 September 2019. These can be updated by mutual agreement between the Seller and the Purchaser prior to the Completion Date.

After the Completion Date, the final balance sheet and profit and loss statements of SIGHC will be used to determine the final purchase consideration (“Final Purchase Consideration”).

Provided that the Final Purchase Consideration plus the settlement of the Inter-group loans shall not exceed EUR 20 million, the difference between the Final Purchase Consideration and the Provisional Purchase Consideration will be settled between the parties in cash.

The completion date of the Acquisition will be the date on which ownership of the Shares is effectively transferred by the Seller to the Purchaser, which is expected to occur no later than 20 December 2019 (the “Completion Date”).

The Acquisition constitutes an undertaking in the ordinary course of business of Paradise Property and therefore does not fall under the scope of Chapter 13 of the SEM Listing Rules.

Paradise Property is currently a subsidiary of Grit Real Estate Income Group Limited (“Grit”). Grit currently holds primary listings on both the Main Market of the London Stock Exchange and on the Main Board of the Johannesburg Stock Exchange, while its listing on the Official Market of the Stock Exchange of Mauritius Ltd is termed as a secondary listing. An announcement relating to the Acquisition is also expected to be released by Grit.

By order of the Board

24 July 2019

For further information, please contact:

**SEM authorised representative and sponsor**

[Perigeum Capital](tel:+2304020890)

[+230 402 0890](tel:+2304020890)

**Company Secretary**

[Intercontinental Fund Services Limited](tel:+2304663999)

[+230 466 3999](tel:+2304663999)

This notice is issued pursuant to SEM Listing Rule 11.3 and Rule 9(2) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007. The Board of Paradise Property accepts full responsibility for the accuracy of the information contained in this Communiqué.