

LIGHTHOUSE CAPITAL LIMITED

(Formerly 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: LTE
ISIN: MU0461N00015
("Lighthouse" or "the Company")



EXPLANATORY STATEMENT WITH REGARD TO A PROPOSED BUYBACK OF LIGHTHOUSE SHARES ("THE PROPOSED BUYBACK PROGRAMME")

Lighthouse was incorporated on 14 August 2014 in Mauritius (under the name Green Flash Properties Ltd) as a public company limited by shares in accordance with the Mauritian Companies Act 15 of 2001 (as amended) ("**Companies Act 2001**"). It holds a Global Business Licence in accordance with the Financial Services Act 2007 of Mauritius and has been operational since 31 August 2014.

Lighthouse was listed on the Official Market of the Stock Exchange of Mauritius Ltd ("**SEM**") on 30 January 2015 and on the Alternative Exchange ("**AltX**") of the JSE Limited ("**JSE**") on 27 November 2015. The name of the Company was changed from Green Flash Properties Ltd to Greenbay Properties Ltd with effect from 17 March 2016 and the South African listing was transferred from the AltX to the Main board of the JSE on 29 March 2017. The Company has, since that date, held a dual primary listing on both the Official Market of the SEM and Main Board of the JSE. The name of the Company was changed from Greenbay Properties Ltd to Lighthouse Capital Limited with effect from 11 December 2018.

Shareholders are referred to the Notice of Annual General Meeting dated 30 January 2019, which contained, amongst others, a special resolution with regard to granting authority to the Company to repurchase its own shares ("**the Repurchase Resolution**"), and which resolution was proposed to Lighthouse shareholders ("**Shareholders**") at the Annual General Meeting ("**AGM**") held on 28 February 2019.

Shareholders approved the Repurchase Resolution at the AGM and the Company would like to proceed with the Proposed Buyback Programme. Accordingly, the board of directors of Lighthouse ("**the Board**") has prepared the following Explanatory Statement in accordance with the Mauritian Securities (Purchase of Own Shares) Rules 2008 ("**the Buyback Rules**").

1. The Board approved the Proposed Buyback Programme on 28 May 2019. In terms of the Board Resolution in this regard, the Board wishes to repurchase a maximum of 4.999% of the issued share capital ("**Shares**") of the Company ("**the Buyback Shares**") as at 28 February 2019, representing 22 884 928 shares of the Company ("**Proposed Buyback Programme**").
2. The Board is of the opinion that it is in the best interest of Shareholders to proceed with the Proposed Buyback Programme, due to the fact that the price at which the Buyback Shares are trading currently, represents a significant discount to the intrinsic value of the Company. A reduction in share capital will therefore have the effect of increasing the net asset value per share of the Company.
3. The Proposed Buyback Programme will run from 4 June 2019 until 31 December 2019, both dates inclusive ("**the Buyback Period**"). The Company may delay, terminate or amend the Buyback Period at any time by releasing an announcement to that effect on the SEM's website and on the Stock Exchange News Service ("**SENS**") of the JSE, irrespective of whether any or all of the Buyback Shares have been repurchased.

4. It is proposed that the Buyback Shares held on both the South African share register of the Company (“**the South African Register**”) and the Mauritian share register of the Company (“**the Mauritian Register**”), representing 4.999% of the Company’s issued share capital of the Company as at 28 February 2019, be repurchased by the Company at the following prices:

JSE Buyback price

The cash consideration payable by the Company for each Buyback Share held on the South African Register being a price calculated based on the prevailing market price at the time, limited to a maximum of the net asset value per share of the Company at the time of repurchase and not more than 5% above the weighted average of the market value of the shares for the five business days immediately preceding the date that the repurchase is effected.

SEM Buyback price

Once the JSE Buyback price has been determined using the above-mentioned mechanism, the relevant foreign exchange rate shall be applied to determine the equivalent price in EUR that shall be proposed to shareholders on the Mauritian register.

The Buyback will be undertaken subject to the availability of shares at the JSE Buyback Price for shares held on the South African register and at the SEM Buyback Price for shares held on the Mauritian register during the Buyback Period, and that those shares so purchased shall be cancelled.

5. In terms of the Buyback Rules, due to the fact that the Company proposes to repurchase less than 5% of its issued share capital as at 28 February 2019, the Company is not obliged to buy all or any of the Buyback Shares, the Company may terminate the Proposed Buyback Programme at any time, irrespective of whether any or all of the Buyback Shares have been repurchased, and the Company may close the Proposed Buyback Programme at any time and thereafter release an announcement to that effect on the SEM website and on SENS.
6. The Company or a wholly-owned subsidiary of the Company may repurchase all or any of the Buyback Shares.
7. It is intended that the funds required for the Proposed Buyback Programme will be provided from Lighthouse’s existing cash resources. There will be brokerage fees and other costs, fees and charges incurred during the Proposed Buyback Programme.
8. The Company will proceed with the Proposed Buyback Programme pursuant to the Buyback Rules. Lighthouse will not repurchase any shares during a prohibited period as defined in the JSE Listings Requirements. In line with Buyback Rules, Lighthouse will also not repurchase any shares within 15 days prior to the publication of any financial results.
9. There has been no offer to sell Shares to the Company by any member of the Board or any substantial shareholder (to the best of the Board’s knowledge, having made all reasonable enquiries).
10. Audited annual financial statements for the previous three financial years are included in Annexure 1 to this Explanatory Statement.

11. Set out in the table below is the Company's share capital structure as at 26 April 2019.

SHAREHOLDERS		No. of Ordinary Shares held
Substantial shareholders	Fortress Income Fund Limited	94 425 366
	Resilient REIT Ltd	79 234 609
	Delsa Investments (Pty) Ltd	28 370 637
	Public Investment Corporation SOC Ltd	23 647 544
	Irene Mall (Pty) Ltd	23 383 489
Other	Various	208 728 491
	TOTAL	457 790 136

12. A report from BDO & Co, the auditors of the Company, with regards to the Company's state of affairs is enclosed as Annexure 2 for reference purposes. The Board has formed the opinion, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the commencement of the Proposed Buyback Programme.

13. The tables below contain the relevant stock market data in terms of the requirements of the Buyback Rules:

(a) High, low and average market price of the shares of the Company during the year preceding the last practicable date:

Exchange	Low	High	Average
SEM (EUR)	0.43	2.00	1.44
JSE (ZAR cents)	39	829	343

(b) Monthly high and low prices for the six months preceding the date of this Explanatory Statement:

Month	Low SEM (EUR)	High SEM (EUR)	Low JSE (ZAR cents)	High JSE (ZAR cents)
November 2018	1.2	2	84	97
December 2018 ¹	1.2	2	39	890
January 2019	0.75	2	700	817
February 2019	0.43	2	686	715
March 2019	0.43	0.43	650	730
April 2019	0.44	0.44	665	710

¹ The share prices are not comparable given that during December 2018, the Company returned a further EUR 300 million of capital to shareholders. In addition, the share capital of the Company was consolidated on a 20:1 basis.

(c) The Company was listed on the Official Market of the SEM on 30 January 2015 by way of a private placement. At that time the Company had 7 396 040 shares in issue. The following listings of shares were undertaken since incorporation:

Date of issue	Reason for issue	Number of shares issued	Total issued share capital
14 August 2014	Incorporation	100	100
31 August 2014	Acquisition issue	7 395 940	7 396 040

14 August 2015	Acquisition issue	7 838 750	15 234 790
27 November 2015	Listing on AltX	9 765 210	25 000 000
8 June 2016	Capital raise	3 333 333 333	3 358 333 333
29 September 2016	Capital raise	1 562 500 000	4 920 833 333
6 December 2016	Scrip dividend	56 962 424	4 977 795 757
27 March 2017	Capital raise	1 324 503 311	6 302 299 068
12 June 2017	Capital raise	620 000 000	6 922 299 068
14 June 2017	Scrip dividend	115 613 498	7 037 912 566
22 August 2017	Capital raise	2 284 263 959	9 322 176 525
14 December 2017	Share Incentive Scheme	36 414 535	9 358 591 060
20 December 2017	Scrip dividend	129 515 466	9 488 106 526
18 December 2018	Share consolidation on a 20:1 basis	-	474 405 295
January 2019	Share cancellation	(16 615 159)	457 790 136

(d) The market price immediately after the date of the Board resolution to approve the Proposed Buyback Programme was EUR 0.44 on the SEM and ZAR 699 cents on the JSE.

(e) The volume of shares traded in each month for the six months preceding the date of this Explanatory Statement is as follows:

Month	Volume Traded SEM	Volume Traded JSE
November 2018	11	9 274 890
December 2018 ¹	225	32 222 610
January 2019	300	4 402 207
February 2019	173,800	10 164 439
March 2019	3	39 694 367
April 2019	648	10 464 318

¹ The volumes traded during November and December 2018 have been adjusted for the 20:1 share consolidation in order to make the figures comparable.

(f) High, low and average share price of the Company during the six months preceding the date of this Explanatory Statement:

SEM: High: EUR 0.75; Low: EUR 0.43; Average: EUR 0.52

JSE: High: ZAR829 cents; Low: ZAR39 cents; Average: ZAR579 cents

Further information with regard to the Proposed Buyback Programme may be obtained from the registered office of Lighthouse at C401, 4th Floor, La Croisette, Grand Baie, Mauritius or from the Company's SEM Authorised Representative and Sponsor, Perigeum Capital Ltd, at Level 4, Alexander House, 35 Cybercity, Ebene 72201, Mauritius or from the Company's South African advisors, Java Capital, 6A Sandown Valley Crescent, Sandown, 2196, Johannesburg, South Africa.

This Explanatory Statement is being issued to shareholders of Lighthouse pursuant to the Buyback Rules and the SEM Listing Rule 11.3. The Board accepts full responsibility for the accuracy and completeness of the information contained in this Explanatory Statement.

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

28 May 2019

For further information please contact:

JSE sponsor



Tel: +27 11 722 3050

**SEM authorised representative
and sponsor**



Tel: +230 402 0890

Company Secretary



Tel: +230 403 0800

ANNEXURE 1 – HISTORICAL FINANCIAL INFORMATION FOR LIGHTHOUSE CAPITAL LIMITED

LIGHTHOUSE CAPITAL LIMITED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Group		
	Audited	Restated	Audited
	30 Sep 2018	30 Sep 2017	30 Sep 2016
	EUR	EUR	EUR
ASSETS			
Non-current assets	689 218 977	383 441 705	158 854 734
Investment property	292 693 712	71 442 548	70 071 632
Investments	312 464 289	159 448 464	3 095 644
Investment in and loans to subsidiaries	-	-	-
Investments in and loans to joint venture	-	59 361 010	-
Financial and other assets	59 840 844	93 189 683	85 687 458
Goodwill	24 220 132	-	-
Current assets	379 671 672	552 187 129	226 920 063
Investments	10 299 132	-	-
Loans to subsidiaries	-	-	-
Financial and other assets	732 786	390 468	-
Trade and other receivables	13 029 436	3 517 076	7 534 350
Cash and cash equivalents	355 610 318	548 279 585	219 385 713
Total assets	1 068 890 649	935 628 834	385 774 797
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	592 449 886	893 778 890	383 936 503
Stated capital	600 703 936	975 367 686	414 975 962
Treasury	(17 378 683)	-	-
Non-distributable reserve	(44 817 643)	(130 177 845)	(51 681 302)
Foreign currency translation reserve	(1 393 006)	242 185	(115 480)
Retained earnings	55 335 282	48 346 864	20 757 323
Total liabilities	476 440 763	41 849 944	1 838 294
Non-current liabilities	157 043 2534	25 144 714	-
Interest-bearing borrowings	24 714 857	-	1 072 032
Deferred tax	429 857	-	-
Current liabilities	16 705 230	1 838 294	210 168
Interest-bearing borrowings	124 878 211	24 714 857	-
Deferred Tax	31 630 017	429 857	-
Financial Liabilities	535 025	-	-
Current liabilities	319 397 510	16 705 230	1 838 294
Interest-bearing borrowings	1 443 902	1 374 996	-
Financial Liabilities	591 000	-	-
Trade and other payables	316 389 373	14 670 411	1 706 317
Income tax payable	973 235	659 823	131 977
Total equity and liabilities	1 068 890 649	935 628 834	385 774 797

LIGHTHOUSE CAPITAL LIMITED
Statements of profit and loss and other
comprehensive income

	Group	
	Audited	Restated
	30 Sep 2018	30 Sep 2017
	EUR	EUR
Investment revenue	21,321,102	3,668,438
Property rental and related revenue	8,819,126	5,965,309
Finance income	549,841	4,297,231
Dividends and interest income from group companies	-	-
Total Revenue	30,690,069	13,930,978
Fair value (loss)/gain on investment property, investments and derivatives	2 146 788	(16,125,028)
Fair value (loss)/gain on investments	4,181,432	5,624,779
Fair value gain/(loss) on investment property	1,354,008	764,855
Fair value (loss)/gain on currency, interest rate, and other derivatives	(1,139,070)	(22,514,662)
Impairment of Greenbay share incentive loans	(2 249 582)	-
Property operating expenses	(3,630,837)	(2,035,142)
Administrative and other expenses	(6,024,800)	(2,678,914)
Foreign exchange gain/(loss)	14,898,645	(22,593,417)
Share of profit from joint venture	7,028,539	1,579,188
Operating profit/(loss)	45 108 404	(27,922,335)
Finance costs	(2,539,525)	(1,151,492)
Other income	167,301	-
Profit/(loss) before income tax expense	42 736 180	(29,073,827)
Income tax expense	(1,119,092)	(1,414,429)
Profit/(loss) for the period attributable to equity holders of the company	41 617 088	(30,488,256)
Other comprehensive income net of tax:		
Items that may subsequently be reclassified to profit/(loss):		
Exchange differences on translation of foreign operations	(1,635,191)	357,665
	(1,635,191)	357,665
Total comprehensive income/(loss) for the period attributable to equity holders of the company	39 981 897	(30,130,591)
Basic earnings/(loss) per share (EUR cents)	0,44	(0,50)

LIGHTHOUSE CAPITAL LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN
EQUITY

	Group					
	Stated capital EUR	Treasury shares EUR	Non-distributable reserve EUR	Foreign Currency translation reserve EUR	Retained earnings EUR	Total equity EUR
Restated balance at 30 September 2016	414 975 962	-	(51 681 302)	(115 480)	20 757 323	383 936 503
Previously reported balance at 30 September 2016	364 806 890	-	19 034 695	(20 758 845)	20 853 763	383 936 503
Financial Liability derivatives from bookbuilds	70 927 917	-	(70 927 917)	-	-	-
Foreign currency translation reserve						
Adjustment on change in functional currency	(20 758 845)	-	-	20 758 845	-	-
Change in functional currency	-	-	211 920	(115 480)	(96 440)	-
Issue of shares:	540 660 917	-	-	-	-	540 660 917
- 1 324 503 311 shares on 27 March 2017	154 710 438	-	-	-	-	154 710 438
- 620 000 000 shares on 12 June 2017	85 620 067	-	-	-	-	85 620 067
- 2 284 263 959 shares on 22 August 2017	300 330 412	-	-	-	-	300 330 412
Total comprehensive income:						-
-Loss for the year	-	-	-	-	(30488256)	(30 488 256)
- Exchange differences on translation of foreign transactions	-	-	-	357 665	-	357 665
Distribution paid – final 2016	5 588 558	-	-	-	(5 873 040)	(284 482)
-scrip issue- 56 962 424 shares	5 588 558	-	-	-	(5 588 558)	-
-cash	-	-	-	-	(284 482)	(284 482)
Distribution paid – interim 2017	14 142 249	-	-	-	(14 545706)	(403 457)
- scrip issue- 115 613 498 shares on 14 June 2017	14 142 249	-	-	-	(14142249)	-
-cash	-	-	-	-	(403 457)	(403 457)
Transfer to non-distributable reserve	-	-	(78 496 543)	-	78 496 543	-
Restated balance at 30 September 2016	975 367 686	-	(130 177 845)	242 185	48 346 864	893 778 890
Previously reported balance at 30 September 2017	892 382 767	-	(36 075 289)	(11 028 779)	48 500 191	893 778 890
Financial Liability derivatives from bookbuilds	94 013 684	-	(94 013 684)	-	-	-
Foreign currency translation reserve						
adjustment on change in functional currency	(11 028 765)	-	-	11 028 765	-	-
Change in functional currency	-	-	(88 872)	242 199	(153 327)	-
Issue of shares – 36 414 535 shares on 14 December 2017	5 675 326	-	-	-	-	5 675 326
Share repurchase – 323 303 187 shares	-	(26 778 785)	-	-	-	(26 778 785)
Distribution paid – final 2017	19 660 924	-	-	-	(22000 337)	(2 339 413)
scrip issue- 115 613 498 shares on 14 June 2017	19 660 924	-	-	-	19 660 924	-
-cash	-	-	-	-	(2 339 413)	(2 339 413)
Distribution paid – interim 2018 - cash					(27268 131)	(27 268 131)
Consolidation of The Greenbay Share Trust	-	(2 258 199)	-	-	-	(2 258 199)
Total comprehensive income:						-
-Profit for the year	-	-	-	-	41 617 088	41 617 088
- Exchange differences on translation of Foreign transactions	-	-	-	(1 635 191)	-	(1 635 191)
Transfer to non-distributable reserve	-	-	(14 639 798)	-	14 639 798	-
Transfer of stated capital to non-distributable reserve	(400 000 000)	-	400 000 000	-	-	-
Return of capital distribution	-	11 658 301	(300 000 000)	-	-	(288 341 699)
Balance at Sep 2017	600 703 936	(17 378 683)	(44 817 643)	(1 393 006)	55 335 282	592 449 886

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Audited for the year ended Sep 2018 EUR	Restated for the year ended Sep 2017 EUR
Operating activities		
Cash generated from operations	30 176 660	24 850 190
Finance Income received	549 840	4 297 231
Finance costs paid	(2 539 525)	(1 151 492)
Income tax paid	(1 414 710)	(456 726)
Distributions paid	(29 607 544)	(687 939)
Cash (outflow)/inflow from operating activities	(2 835 279)	26 851 264
Investing activities		
Additions to investment Property	(1 135 768)	(606 061)
Proceeds on sale on investment property	16 200 000	-
Investments in listed security investments	(205 044 99\)	(188 913 873)
Disposal of listed security investments	36 904 885	28 126 530
Payments on interest rate derivatives	(4 045 000)	(434 000)
Acquisition of LocaViseu, net of cash acquired	(53 717 986)	(57 781 822)
Increase in investment in and loans to subsidiaries	-	-
Proceeds from/(payment of) equity swap derivatives cash margin	36 304 612	(8 996 496)
Share incentive loans (advanced)/repaid	(1 987 631)	2 043 808
Cash outflow from investing activities	(176 521 885)	(226 561 914)
Financing activities		
(Repayment)/drawdown of interest-bearing borrowings	(1 438 265)	26 089 853
Proceeds from issuance of shares	5 675 326	517 575 150
Repurchase of shares	(29 036 984)	-
Cash (outflow)/inflow from operating activities	(24 799 923)	543 665 003
(Decrease)/Increase in cash and cash equivalents	(204 157 087)	343 954 353
Effect of exchange rate changes on cash held	11 487 820	(15 060 481)
Cash and cash equivalents at the beginning of the year	548 279 585	219 385 713
Cash and cash equivalents at end of the period	355 610 318	548 279 585

ANNEXURE 2 – AUDITORS REPORT ON SOLVENCY



Tel : +230 202 3000
Fax: +230 202 9993
www.bdo.mu

10, Frère Félix de Valois Street
Port Louis, Mauritius
P.O. Box 799

Our ref: GrpA/0212/nr

May 27, 2019

The Board of Directors
Lighthouse Capital Limited
C1-401-4th Floor
La Croisette
Grand Baie
MAURITIUS

Dear Sirs,

Report in connection with Section 6 of the Schedule to the Securities (Purchase of own Shares) Rule 2008 relating to report to the directors of the Company by the auditors

We have performed the procedures agreed with you and enumerated below to provide Lighthouse Capital Limited ('Lighthouse') (the 'Company') a report to the Board of Directors in connection with the planned Share Buyback of 22,884,928 shares (Share Buyback) which will occur during the calendar year ending 31 December 2019 in accordance with the Mauritian Securities Act 2005, Section 13(2)(f) Purchase of Own Shares. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400 applicable to agreed-upon-procedures engagements. The procedures were performed solely to report on the Company's compliance in connection with the Share Buyback and are summarised as follows:

1. Inquire with management on the Company's state of affairs as at the date of the commencement of the Share Buyback. The state of affairs would include:
 - a. Statement of financial position as at 31 March 2019
 - b. Cash flow projections for the period from 1 April 2019 to 31 March 2020 and from 1 April 2020 to 30 June 2020 as provided by management
2. Inquire with management, whether they have formed the opinion on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year as from the date of the commencement of the Share Buyback;
3. Inquire with management on the grounds of their assessment for forming their opinion mentioned in item 2 above; and
4. Obtain written representation from the Board of Directors that they have performed their assessment on reasonable grounds and are of the opinion that the Company will not be rendered insolvent within a period of one year as from the date of the commencement of the Share Buyback.

BDO & Co, a firm of Chartered Accountants in Mauritius, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

We report our findings below:

- a) With respect to item 1, we inquired with Management on the Company's state of affairs as at the date of the commencement of the Share Buyback. We were provided with the unaudited state of affairs of the Company as at 31 March 2019 which were as follows:

	31 March 2019 Unaudited
Key financial indicators	EUR
Total assets	272,099,963
Total liabilities	544,243
Capital and reserves	271,555,720

We obtained representation from management that the state of affairs of the Company has not deteriorated by the date of the commencement of the Share Buyback.

- b) With respect to items 2 and 3, we inquired with the Board of Directors that they have formed the opinion on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the commencement of the Share Buyback. We were provided with a projected cash flow from 1 April 2019 to 30 June 2020 which included the payment of the Share Buyback and is summarized as follows:

	Period from 1 Apr 2019 to 30 Jun 2020
	EUR
Opening cash balance on 1 April 2019	16,540,508
Projected total cash inflow	1,449,465
Subsidiary loan movements	16,000,000
Distribution payments	(17,968,950)
Projected payment for Share Buyback*	(9,972,577)
Other cash outflows	(500,000)
Projected net cash outflow	(10,992,062)
Projected closing cash balance on 30 June 2020	5,548,446

Based on the projected cash flow, we did not come across any matter that would render the Company insolvent within a period of one year as from the date of the commencement of the Share Buyback. We did not come across any unusual items in the projected cash flows. Actual results may be different from the forecast since anticipated events may not occur as expected and the variation may be material.

* Management stated that the Share Buyback programme could continue until 31 March 2020 if the full number of the shares announced in the Share Buyback has not yet been acquired by 31 December 2019.

- c) With respect to item 4, we have obtained the relevant written representation from the Board of Directors.



Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Financial Reporting Standards on Review Engagements, we do not express any assurance on the above.

Our report is solely for the purpose set forth in the first paragraph of this report and for your information and is not to be used for any other purpose. BDO & Co. assumes no responsibility whatsoever in respect of or arising out of or in connection with the contents of this certificate to third parties.

[Handwritten signature]

BDO & Co
Chartered Accountants