

ESOR LIMITED  
(formerly Esorfranki Limited)  
(Incorporated in the Republic of South Africa)  
(Registration number 1994/000732/06)  
JSE code: ESR  
ISIN: ZAE000184669  
("Esor")

CALGRO M3 HOLDINGS LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration Number 2005/027663/06)  
Share code: CGR  
ISIN: ZAE000109203  
("Calgro M3")

---

## **VOLUNTARY JOINT ANNOUNCEMENT- ACQUISITION BY CALGRO M3 OF 50% OF SAFDEV TANGANANI AND CONCLUSION OF JV AGREEMENT**

---

### **1. Introduction**

Calgro M3 and Esor are pleased to announce that, in line with both Esor and Calgro M3's strategy of partnering with industry leaders with complementary skills, Esor and Calgro M3 have entered into a Joint Venture ("JV") on Esor's R2,12 billion Diepsloot East integrated residential development in Gauteng, also known as Tanganani Extension 14 ("the Project").

The agreement ("JV Agreement") regulating the JV was entered into between Safdev Tanganani Proprietary Limited ("ST") a subsidiary of Esor and Calgro M3 Land Proprietary Limited, a subsidiary of Calgro M3 on 24 November 2014.

### **2. The Joint Venture**

In March 2013 Esor, through ST, acquired the development rights to the Project comprising of approximately 9 520 housing units consisting of fully subsidised BNG ("Breaking New Ground") units with "back-yard" rental units, CRU ("Community Residential Units") which are government owned subsidised rental units, Social Housing (privately owned subsidised rental) units, FLISP (Finance Linked Individual Subsidy Programme) units as well as GAP and fully bonded freestanding houses. In addition, ST owns the development rights to the two business sites as well as the installation of all the engineering services. The two pedestrian bridges across William Nicol are also included in the Project and are currently nearing completion.

In addition to the JV Agreement, ST has entered into a Development Management agreement with Calgro M3 Developments Proprietary Limited which will be responsible for the Project implementation and execution and will earn a separate management fee in terms of the Development Management agreement.

Esor will retain the "right of first refusal" for the installation of all the engineering services and the construction of 50% of the top structures at market related rates. Calgro M3 will retain a similar right on the remaining 50% of the top structures at market related rates. The Project has been included in the Gauteng Department of Human Settlements and The City of Tshwane's Inter-Governmental Relations Support Plan as a priority project.

Esor and Calgro M3 believe that the combination of Calgro M3's development skills and Esor's construction expertise will bode well for the successful implementation of this large and complex Project.

### **3. The Acquisition**

On 24 November 2014, Calgro M3 Land Proprietary Limited, a subsidiary of Calgro M3 acquired a 50% shareholding in ST from Esor Property Development Proprietary Limited, a subsidiary of Esor for a nominal consideration of R500 (five hundred rand) ("the Acquisition").

The effective date of the Acquisition is 24 November 2014.

#### **4. Classification of the Acquisition**

The Acquisition, due to its size, falls below the transaction thresholds as set out in the Listings Requirements of JSE Limited and therefore does not require any formal disclosure for either Esor or Calgro M3. However, both Esor and Calgro M3 would like to advise shareholders of this strategic transaction.

Sandton  
26 November 2014

Sponsor to Esor  
Vunani Corporate Finance

Sponsor to Calgro M3  
Grindrod Bank Limited