

5 October 2016

Tejoori Limited
(“Tejoori” or the “Company”)

Update on Arjan Plots – Disposal of plot

The Board of Tejoori (AIM:TJI), the Dubai-based Shari’a-compliant investment company, announces that the Company entered into an agreement on 4 October 2016 (the “**Agreement**”) with SRG Holding Limited (“**SRG**”) pursuant to which it has agreed to dispose of one of the two Arjan plots of land (an “**Arjan Plot**” or, collectively, “**the Arjan Plots**”) currently owned by Tejoori and part of Tejoori’s investment portfolio, for a cash consideration of approximately US\$3.7 million (the “**Consideration**”) (the “**Disposal**”).

The Arjan Plots currently owned by Tejoori comprise two plots of land in Arjan, a commercial and residential property community development within Dubai Land in Dubai, United Arab Emirates. Tejoori acquired these two Arjan Plots in December 2012 along with a third Arjan Plot. As previously announced the third plot previously owned by Tejoori was sold by the Company on 3 May 2016 for a cash consideration of US\$6.5 million.

The book value of the three Arjan Plots in Tejoori’s unaudited interim accounts as at 31 December 2015 was US\$13.91 million (30 June 2015: US\$13.91 million). The Arjan Plot the subject of the Disposal had a book value of US\$3.06 million in Tejoori’s accounts as at 31 December 2015 and had a total ground floor area of approximately 167,552 sq ft. No development has taken place on the plots to date, and in the latest published accounts for the 12 months ended 30 June 2015, the three plots owned at that time did not contribute any revenue to Tejoori and incurred a loss on revaluation of US\$2,546,358.

Dubai-based SRG is one of the leading family-owned holding companies in Dubai with extensive operations in property development and management, hospitality, wholesale trading and investments. SRG was founded in 1958 by Abdul Salam Al Rafi. A number of Dubai’s most recognisable landmarks have been built and managed by SRG including Burj Al Salam, Sheraton Grand Hotel Dubai and Marina Heights Tower. SRG’s hospitality division partners with leading hotel operators including Starwood’s Sheraton Hotels & Resorts. Furthermore the group invests in real estate and private equity in international markets. Tejoori has no historical ties or relationship with SRG. Further information on SRG can be found at www.srg.ae.

The Consideration for the Disposal is to be satisfied by a cash consideration of 13,500,000 dirhams (equivalent to approximately US\$3,675,470 at the prevailing exchange rate on 4 October 2016). The Company has not as yet received the cash in relation to the Disposal. Completion of the Disposal remains conditional only on Tejoori and SRG receiving the necessary approvals from the Dubai Land Department and receipt of the cash from SRG. It is expected that both conditions will be satisfied in October 2016. Further announcements will be made at the appropriate time.

Following completion of the Disposal, the Company will retain ownership of the one remaining Arjan Plot which, based on the most recent published book values as at 31 December 2015, has a book value of approximately US\$6.15 million. The remaining plot has a total ground floor area of 355,209 sq ft which represents approximately 47 per cent. of the ground floor area of the three Arjan Plots that the Company owned as at 31 December 2015.

The Board intends to use the net proceeds from the Disposal, which are estimated to be approximately US\$3.57 million, to provide the Company with additional working capital and will provide funds for Tejoori to investigate further investment opportunities in line with its investing policy. In due course, the Company intends to also return to Tejoori’s shareholders a portion of the overall net cash proceeds from the Disposal and the previous disposal announced on 4 May 2016. Any future return of cash to Tejoori shareholders is likely to be undertaken as a separate transaction to any future disposal. There is no guarantee at this stage that any return of cash to shareholders will take place and shareholders will be updated at the appropriate time.

The Arjan Plots were acquired by Tejoori in December 2012 and the final deferred consideration payment in connection the acquisition of the Arjan Plots was made by the Company in February 2014. The Company will continue to assess its options for the Arjan Plot that the Group continues to own which includes the potential sale of the plot. At this stage, no further agreements have been reached and no other contracts have been exchanged with any third party with regards to the remaining Arjan Plot, and there is no guarantee that any such agreement will be reached or entered into in the near future.

The Company will keep shareholders updated on any future developments.

Commenting on the transaction, CEO, Abdullah Lootah said: “We are pleased to have entered into an agreement for the sale of the plot for a cash consideration in excess of the last published book value. We will keep shareholders updated on our plans for the remainder of our portfolio and the plans for the Company going forward.”

About Arjan:

Arjan is an AED 20 billion master planned community covering 11 million square feet and located in the heart of DubaiLand, a significant tourism, leisure and entertainment project.

Conveniently situated on Emirates Road and connected to main arterial roads and highways, Arjan is just 10 minutes’ drive from Dubai International Airport, close to Dubai World Central International Airport and 60 minutes away from Abu Dhabi, the UAE's capital city.

The master developer of Arjan is Mizin, part of the Dubai Government owned Dubai Holdings – areal-estate company specialising in Dubai master developments. Mizin has sold development plots to sub-developers to build their own residential and commercial towers.

The developments in Arjan have already commenced, including business towers, entertainment sites and residential complexes.

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