

Engel Resources and Development: Another offer to acquire control in the company will be examined

Last February controlling shares in the company were handed over to receivers, in light of the demand by the foreign Loyal Bank. According to the new offer the sum of NIS 50 million will be invested in Engel Resources.

Yaniv Rahimi June 17, 2014, 16:43

The receivers on behalf of the controlling interests in Engel Resources and Development, GBES and the trustees for the company's bond holders announced today (Tuesday) their decision to examine another offer to acquire control in the real estate development company Engel Resources.

Behind this offer is Life Green Investments Company of the VAR Group, which is owned by Yoav Kfir and which has raised the funding through American investors.

According to the new offer NIS 50 million will be invested in Engel Resources in three different tracks: First, NIS 27 million will be transferred to Engel Resources in exchange for 52% of the company's shares of stock (at a company value prior to the investment of NIS 25 million). Second, another NIS 8 million will be invested in Engel Resources in exchange for 6.33% of the company as an offer of rights, which will take place within 30 days after date on which the transaction is completed. Finally, Life Investments has undertaken to extend to Engel Resources a loan of NIS 15 million for four years, which will be subordinate to the company's debts to the banks and bond holders.

Additionally, Life Investments is offering to transfer to the receiver for Engel Resource's shares the sum of €2.5 million and 50% of the difference between 125% of the net value of the assets when the transaction is completed and the net value of the assets one year later, up to a ceiling of €8 million.

Photograph – Oded Shamir

Last February controlling interest in Engel's was transferred to the receivers, in light of the demand by the foreign Loyal Bank, through Attorney Nehushtan, pursuant to a loan of €15 million that was not repaid by the controlling interests, who then put them up for sale. The receivers appointed on their behalf

Oded Shamir, Nitzan Tzadok and Dov Luxemburg to the company's board of directors, and the bond holders appointed Uri Mor on their behalf.

Yoav Kfir's proposal will be competing with offers from other contenders. These include the Gabay Group (Eli Gabay and Yossi Gordon); Business Towers Holdings, Ltd.; Azorim, Ltd.; Amot Investments, which submitted a bid to purchase the Engel Building in Tel Aviv; Almog B. Z. Construction, which filed an offer to purchase properties in Netanya and Zichron Yaakov; and Africa Israel Residences Company, which is also eager to purchase land in Netanya.