

REBOSIS PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2010/003468/06)
JSE share codes:
REA ISIN: ZAE000240552
REB ISIN: ZAE000201687
Alpha code: REBI
(Approved as a REIT by the JSE)
(**"Rebosis"** or the **"Company"**)

PROPOSED DISPOSAL OF GRAND CENTRAL BUILDING

1. Introduction

Rebosis shareholders are hereby advised that the Company has, through its wholly-owned subsidiary, Ascension Properties Limited ("**Seller**"), entered into an agreement ("**Agreement**") dated 2 August 2019 ("**Signature Date**") with Dalopix Proprietary Limited ("**Dalopix**" or the "**Purchaser**"), to dispose of the property letting enterprise situated on Erf 4648, Erf 4649 and Erf 4650, Cape Town, Western Cape, known as Grand Central Building (the "**Property**" or "**Grand Central Building**") for a cash consideration of R510 million (inclusive of VAT at zero percent) ("**Disposal Consideration**") ("**Disposal**"). Dalopix is represented by Mark Stillerman and the Disposal will become effective on the date of transfer of the Property into the Purchaser's name ("**Transfer Date**").

Shareholders are reminded of the previous announcement published by Rebosis on 5 October 2018 in relation to the proposed disposal of Grand Central Building and are advised that it did not proceed to conclusion due to non-fulfilment of conditions precedent. The Company therefore sought to conclude another agreement to give effect to the disposal of Grand Central Building. The Disposal is thus in line with the Company's intention to reduce its loan to value ratio as outlined in the road-map included in the results announcement released by the Company on SENS on 12 November 2018 and the pre-close presentation presented to Rebosis shareholders on 27 February 2019.

2. Terms and conditions of the Disposal

2.1 Disposal Consideration

The Disposal Consideration shall be paid by the Purchaser to the Seller as follows:

- R1 million deposit shall be payable by the Purchaser to the Seller's conveyancers 5 days from the Signature Date; and
- R509 million on the Transfer Date ("**Balance of the Disposal Consideration**").

The Disposal Consideration will escalate by 6% per annum from 1 December 2019 to the Transfer Date.

2.2 Conditions precedent

The Disposal is subject to the fulfilment of the following outstanding conditions precedent:

- 2.2.1 within 5 business days of the Signature Date, the board of directors of the Purchaser shall have approved the Disposal;
- 2.2.2 within 30 business days of the Signature Date, the Purchaser shall have furnished the Seller with confirmation of funding in respect of the Balance of the Disposal Consideration (comprising a cash component of R152.7 million and debt funding of an amount of R356.3 million);
- 2.2.3 within 15 days from the date of the fulfilment of the condition in clause 2.2.2, the Purchaser shall have furnished the Seller with guarantees from banks and/or financial institutions, for the payment to the Seller of the Balance of the Disposal Consideration;
- 2.2.4 by not later than 75 days of the Signature Date, the shareholders of the Seller have passed such ordinary and special resolutions as may be required in terms of the JSE Limited Listings Requirements in respect of a category 1 transaction, and the Companies Act, if any, in order to implement the Disposal;
- 2.2.5 within 10 business days after the date on which the condition precedent set out in clause 2.2.3 has been fulfilled, the parties enter into a rental guarantee agreement in respect of the approximate 18 800m² leased to the Western Cape Education Department (“**WCED Lease**”), based on a commencement rental of at least R115.00 per m² plus VAT, which rental escalates at a rate of 6% per annum (calculated and compounded annually) of each anniversary, for a period of 2 years from the Transfer Date. The rental guarantee agreement will automatically lapse and be of no further force and effect upon signature of the WCED Lease, on terms and conditions reasonably acceptable to the Purchaser; and
- 2.2.6 within 90 days of the Signature Date, if required, the relevant Competition Authority approves the Disposal, either unconditionally or subject to such conditions as the parties both agree are acceptable to them.

The Agreement contains representations and warranties by the Seller in favour of the Purchaser which are standard for a transaction of this nature.

3. Financial information

The financial information provided below has been extracted from the Company’s interim results for the period ended 28 February 2019, which were prepared in terms of International Financial Reporting Standards. The financial information in this announcement is the responsibility of the directors of Rebosis and has not been reported on or reviewed by a reporting accountant.

Property	Location	Sector	Single or multi-tenanted	Gross lettable area	Weighted average rental per m ²	Net operating income	Value of the Property*
				(m ²)	(R)	(R’m)	(R’m)
Grand Central Building	15 Darling Street, Cape Town, Western Cape Province	Office	Multi-tenanted	33 577	144.80	26.7	535.0

*The valuation was performed as at 1 September 2018 by LDM Valuation Solutions (Pty) Ltd, who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.

4. Categorisation

In terms of the JSE Listings Requirements, the Disposal is classified as a Category 1 transaction for Rebosis, which accordingly requires approval by Rebosis shareholders. Details of the Disposal, together with *inter alia, pro forma* financial effects of the Disposal and a valuation report on the Property will be included in a circular to Rebosis shareholders ("**Circular**"). The salient dates and times pertaining to the required approval by Rebosis shareholders for the Disposal will be released on SENS and published in the press at the time of posting of the Circular.

Johannesburg
2 August 2019

Sponsor
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