



ARROWHEAD PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2011/000308/06)
JSE share code: AWA ISIN: ZAE000203105
(Approved as a REIT by the JSE)
("Arrowhead")



GEMGROW PROPERTIES LIMITED

(Incorporated in the Republic of South Africa)
(Registration number 2007/032604/06)
JSE share code: GPA ISIN: ZAE0000223269
JSE share code: GPB ISIN: ZAE0000223277
(Approved as a REIT by the JSE)
("Gemgrow")

CASH PAYMENT APPLICABLE TO FRACTIONAL ENTITLEMENTS

1. Introduction

Arrowhead and Gemgrow shareholders are referred to the joint announcements released on SENS, the last of which was published on Tuesday, 17 September 2019, regarding, *inter alia*, the offer by Gemgrow to acquire all of the Arrowhead ordinary shares, but excluding the Arrowhead shares held in treasury, from Arrowhead shareholders ("**scheme participants**") by way of a scheme of arrangement in terms of section 114 of the Companies Act, No. 71 of 2008, as amended ("**scheme**"), proposed by the board of Arrowhead to the scheme participants ("**transaction**").

The definitions and interpretations commencing on page 8 of the combined scheme circular to Arrowhead and Gemgrow shareholders dated Monday 22 July 2019 have been used in this SENS announcement.

Shareholders are referred to the finalisation announcement released on SENS on Monday, 9 September 2019, confirming that all conditions precedent to the transaction have been fulfilled.

2. Fractions

Where a scheme participant's entitlement to the scheme consideration results in a fractional entitlement, such fraction of a Gemgrow B share will be rounded down to the nearest whole number, resulting in allocations of whole Gemgrow B shares and a cash payment will be made to the scheme participant for the fraction.

The applicable cash payment will be determined with reference to the VWAP of a Gemgrow B share traded on the JSE on Wednesday, 18 September 2019, discounted by 10%.

Example of fractional entitlement:

This example assumes that a scheme participant holds 1 000 scheme shares at the close of business on the scheme consideration record date.

Gemgrow B share entitlement = 1 000 x 0.8237 (being the scheme consideration on the scheme consideration record date)

Aggregate scheme consideration entitlement = 1 000 (being the number of scheme shares) x 0.8237 (reflecting the applicable ratio of consideration shares to scheme shares) = 823.7 Gemgrow B shares.

The rounding provision described above is then applied and the scheme participant will receive:

823 Gemgrow B shares in respect of the 1 000 scheme shares held and a cash payment for the fractional entitlement based on 329 cents (being the VWAP of a Gemgrow B share traded on the JSE on Wednesday, 18th of September 2019, discounted by 10%) of $329 \times 0.7 = 230$ cents.

The tax implications of the scheme on scheme participants will depend on the individual tax circumstances of each scheme participant. Scheme participants should seek advice from appropriate professional advisers if they are in any doubt whatsoever about their tax position.

3. Arrowhead Independent Board Responsibility Statement

The Arrowhead Independent Board (to the extent the information relates to Arrowhead), accepts responsibility for the information contained in this announcement and, to the best of its knowledge and belief, confirms that the information contained is true and this announcement does not omit anything likely to affect the importance of such information.

4. Gemgrow Responsibility Statement

Gemgrow (to the extent the information relates to Gemgrow), accepts responsibility for the information contained in this announcement and, to the best of its knowledge and belief, confirms that the information contained is true and this announcement does not omit anything likely to affect the importance of such information.

19 September 2019

Corporate advisor and sponsor to Arrowhead

Investec Bank Limited

Independent corporate advisor and transaction sponsor to Gemgrow

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Corporate advisor to Gemgrow

Investec Bank Limited

Strategic transaction advisor to Arrowhead

Ferryman Capital Partners

Legal advisor and competition law advisor

Cliffe Dekker Hofmeyr Incorporated