

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 MAFIKENG STUDENT ACCOMMODATION – REVISED TERMS AND DISTRIBUTION OF CIRCULAR

1. Introduction

Rebosis shareholders are referred to the announcement dated 06 September 2019 ("**Transaction Announcement**"), wherein shareholders were advised that the Company (or the "**Seller**") had entered into an agreement ("**Agreement**") with Adowa Infrastructure Managers (RF) Proprietary Limited and the Government Employees Pension Fund (collectively, the "**Purchaser(s)**"), to dispose of student accommodation situated Erf 2460, situated in Mafikeng, together with the rental enterprise conducted thereon (the "**Property**") (the "**Disposal**").

2. Completion of due diligence

Rebosis shareholders are advised that the Purchasers have notified the Seller that they are satisfied with the due diligence investigation to be conducted in respect of the Property.

3. Amended terms

The Seller and the Purchasers have entered into an addendum to the Agreement, dated 14 November 2019 ("**Addendum**") wherein the following terms were amended or included:

3.1 Disposal Consideration

The Seller has agreed to sell the Property to the Purchasers which will purchase the Property at an exit forward yield of 10%, based on forecast net income, plus bulk of R9.834 million, which totals R141.2 million (excluding any transfer duty) ("**Disposal Consideration**").

3.2 Capital expenditure items

The Seller has agreed to attend to the completion of certain capital expenditure items specified in the Addendum, at a cost of R2.5 million, which shall be borne by the Seller and which will not be deducted from the Disposal Consideration.

3.3 Rental guarantee

The Seller shall use its reasonable and best endeavours to ensure that the Property is fully let for the 2020 academic year, commencing January 2020. If the Property is not fully let for the 2020 academic year, the Seller shall provide the Purchaser with a rental guarantee in respect of the beds not taken up by the students for the 2020 academic year.

3.4 Conditions precedent

Shareholders are advised that the only remaining condition precedent as outlined in the Transaction Announcement is the requisite Rebosis shareholder approval of the Disposal by 30 January 2020. The Seller and the Purchasers entered into a first addendum to the Agreement, dated 18 October 2019, wherein the following conditions were included:

- 3.4.1 By 30 January 2020, the relevant competition authorities approve the sale of the Property, either conditionally or subject to such terms and conditions as the parties may agree to; and
- 3.4.2 By 30 January 2020, the Seller provides the consent issued by the MEC for Human Settlements in the North West that the land and buildings situated at the Property may be held under registered title by more than one person and/or the removal of condition (g)(3) as contained in the relevant title deed.

4. Distribution of circular

As advised in Transaction Announcement, the Disposal is classified as a Category 2, related party transaction for the Company, which accordingly requires the distribution of a circular to Rebosis shareholders and approval of the Disposal by Rebosis shareholders.

Shareholders are advised that the Company expects to distribute the above-mentioned circular during the first half of January 2020. The salient dates and times pertaining to the required approval by Rebosis shareholders will be released on SENS and published in the press at the time of posting of the circular.

Johannesburg

15 November 2019

Sponsor

Nedbank Corporate and Investment Banking, a division of Nedbank Limited