

TOWER PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 2012/066457/06)

JSE share code: TWR ISIN: ZAE000179040

(Approved as a REIT by the JSE)

("Tower" or "the Company")



EXPRESSION OF INTEREST AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. POTENTIAL TRANSACTION

Tower shareholders are referred to the various cautionary announcements released on SENS, the latest of which was released on 11 May 2021, advising them that Tower was in discussions which, if successfully concluded, may have a material effect on the price of the Company's securities.

Shareholders are advised that Tower is in discussions relating to a non-binding expression of interest ("EOI"), received from RDC Properties Limited ("RDC") - a multinational African property and investment development group, listed on the Botswana Stock Exchange ("BSE").

The EOI contemplates a potential transaction which, if implemented, would result in the acquisition of all, or the majority, of Tower shares not already owned by RDC, and the potential subsequent delisting of Tower shares from the Johannesburg Stock Exchange ("JSE") (the "**Potential Transaction**"). The Potential Transaction contemplates:

- a cash offer by RDC to acquire all of the ordinary shares in Tower it does not already own, for a purchase consideration of R4.00 per Tower share, on a *cum* distribution basis ("**Cash Consideration**"), by way of a scheme of arrangement in accordance with section 114 of the Companies Act, No. 71 of 2008 ("**Companies Act**") (the "**Scheme**"); and
- a standby general offer to Tower shareholders to acquire their Tower shares for a price equal to the Cash Consideration ("**General Offer**"), which would be conditional on, *inter alia*, (i) the Scheme failing to become operative and (ii) a sufficient number of acceptances of the General Offer being received to result in RDC obtaining control of Tower (such control deemed to be no less than 50%+1 Tower share in respect of voting rights); and
- the potential delisting of all Tower shares from the JSE pursuant to the implementation of the Scheme or pursuant to the General Offer being implemented and the delisting being approved by shareholders.

2. PROGRESS TO DATE

The EOI was accompanied by various undertakings, commitments and letters of comfort from RDC's shareholders and funders, that gave a reasonable degree of comfort to the Tower board that RDC had sufficient levels of support from its shareholders to proceed with the Potential Transaction and would be able to discharge the Cash Consideration. Based on this comfort, the Tower board allowed RDC to undertake a limited due diligence of Tower and RDC has confirmed that it is satisfied with the outcome thereof.

Furthermore, RDC has engaged with certain key Tower shareholders and has informed Tower that it has obtained irrevocable letters of support to vote in favour of the resolutions required to implement the Scheme from:

Shareholder	Number of Tower shares held	Percentage of Tower shares held (excluding treasury shares)
Allan Gray Clients	98,205,050	29.1%
Prescient Fund Managers	49,818,534	14.8%
Bridge Fund Managers	46,503,400	13.8%
Total irrevocable commitments	194,562,984	57.7%

The Cash Consideration represents a premium to the closing market price and 30-day volume weighted average traded price (“VWAP”) respectively per Tower share on 24 March 2021, being the day before the initial Tower cautionary announcement on SENS of:

- 61.3% premium to closing market price; and
- 55.7% premium to the 30-day VWAP.

The Tower board of directors has constituted an independent board (the “**Independent Board**”), comprising John Bester, Andrew Dalling, Athi Magwentshu, Nicola Milne and Raven Naidoo, to consider and engage with RDC in relation to the Potential Transaction.

The Independent Board collectively and individually accepts responsibility for the information contained in this announcement and certifies that, to the best of its knowledge and belief, the information contained in this announcement relating to Tower is true and this announcement does not omit anything that is likely to affect the import of such information.

3. RENEWAL OF CAUTIONARY ANNOUNCEMENT

This announcement does not constitute an offer, undertaking or firm intention to make an offer to Tower shareholders by any party, including RDC.

Tower shareholders are referred to the announcement issued by RDC on the BSE on 27 May 2021.

Accordingly, Tower shareholders are advised to continue to exercise caution when trading in their Tower shares until a further announcement is made.

27 May 2021

Sponsor

JAVACAPITAL

Corporate advisor to Tower

FERRYMAN
capital partners

Legal advisor to Tower

CDH
CLIFFE DEKKER HOFMEYR

Corporate advisor to RDC

 **Investec**
Investment Banking

South African legal advisor to RDC

Fluxmans