

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE share code: TEX ISIN: ZAE000190542
("Texton" or the "Company")

SALE OF GOLDBURB DURBAN CBD RETAIL ASSET

1. INTRODUCTION

The board of directors of Texton (the "Board") is pleased to advise shareholders that the Company (the "Seller") has entered into an agreement with Isibaya Properties Proprietary Limited (the "Purchaser") on 9 December 2021 (the "Agreement") to dispose of its KwaZulu-Natal CBD retail asset (the "Disposal"), known as Golddurb, let to Truworths as the anchor tenant (the "Property" or the "Sale")

2. RATIONALE

Texton has received an offer for the Property at an appealing price relative to its current book value. The Property is situated in Durban, which is an outlying area for the Company as Texton no longer owns or operates any other properties situated in KwaZulu Natal. The Sale allows Texton to exit KwaZulu-Natal to focus on its core operating areas in South Africa.

The proceeds of the Sale will be utilised to repay debt and further strengthen Texton's balance sheet. In addition, the Sale will provide flexibility for future opportunities to diversify investment into other asset classes which appear attractively priced.

3. TERMS OF THE SALE

The purchase price payable is R125 million (the "Sale Consideration") and will be settled in cash.

The Sale is subject to the following condition precedents ("Condition Precedents"):

- the Purchaser confirms that it is satisfied with its due diligence investigation undertaken in respect of the Property by no later than 28 January 2022;
- by no later than 11 February 2022 the Purchaser receives written confirmation that it has been granted loan funding on standard terms and conditions typical for a transaction of this nature; and
- finalisation of all requisite Seller board approvals.

The effective date of the Disposal will be the date on which all Condition Precedents have been fulfilled and the transfer date will be the date of registration of transfer of ownership of the Property.

All other terms of the Agreement are standard terms and conditions typical for a transaction of this nature.

4. FINANCIAL AND PROPERTY SPECIFIC INFORMATION

Details of the Property are as follows:

Location	Sector	GLA (m ²)	Weighted average rental (R/m ²) per month	Net rental income (R) PA	Book value (R million)	Sale Consideration (R million)
381-387 Pixely Kaseme Street, Durban	Retail	11,183	120,79	13,576,368 ¹	130.00 ²	125.000 ³ .

Notes:

1. Audited net rental income attributable to the Property for the twelve months ended 30 June 2021 was R13 576 368.
2. Audited book value as at the year ended 30 June 2021
3. The Purchase Price in respect of the Property is considered its fair market value, as determined by the Board. The Board is not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.
4. The financial information contained in this announcement has not been reviewed or reported on by a reporting accountant.

5. CATEGORISATION OF THE SALE

The Sale is a category 2 transaction in terms of the JSE Listings Requirements and accordingly does not require approval by Texton shareholders.

SANDTON

10 December 2021

CORPORATE ADVISER AND SPONSOR TO TEXTON

Investec Bank Limited