

REX TRUEFORM GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1937/009839/06)

JSE share code: RTO ISIN: ZAE000250387

JSE share code: RTN ISIN: ZAE000250395

JSE share code: RTOP ISIN: ZAE000250403

(“Rex Trueform” or the “Company”)



REX TRUEFORM
GROUP LIMITED

ACQUISITION OF A RENTAL ENTERPRISE

1. INTRODUCTION

- 1.1 Shareholders are advised that the Company has entered into a sale of rental enterprise agreement (the “**Agreement**”) with Newshelf 1168 Proprietary Limited (the “**Seller**”), in terms of which Rex Trueform has acquired the immovable property known as ERF 103610, Cape Town, situated at 27 Losack Avenue, Epping, Cape Town, Western Cape (the “**Property**”) and the rental enterprise conducted by the Seller from such Property (“**Rental Enterprise**”), for an acquisition consideration of R65 000 000 (the “**Acquisition Consideration**”).
- 1.2 The effective date of the transaction was 28 February 2023, being the date of registration of transfer of ownership of the Property into the name of Rex Trueform (the “**Effective Date**”).

2. RATIONALE FOR THE TRANSACTION

- 2.1 The transaction presents a strategic opportunity for Rex Trueform to diversify and grow its existing property portfolio, while leveraging the opportunity to acquire industrial property at an appropriate value. The transaction furthermore complements Rex Trueform’s ongoing acquisition of a portfolio of industrial properties located in Epping, Cape Town.

3. SALIENT TERMS OF THE AGREEMENT

In accordance with the salient terms of the agreement:

- 3.1 possession, occupation and control of the Property was given by the Seller to the Company on the Effective Date;
- 3.2 the transaction was zero-rated in terms of the Value Added Tax Act; and
- 3.3 all leases and contracts in respect of the Property were assigned to the Company with effect from the Effective Date.

4. PAYMENT AND FUNDING OF THE ACQUISITION CONSIDERATION

- 4.1 The Acquisition Consideration was funded as follows:
 - 4.1.1 R20 902 500 was funded by the cash resources available to Rex Trueform; and
 - 4.1.2 R44 097 500 was funded by way of a loan from a bank against security of the registration of a first mortgage bond over the Property.

5. CONDITIONS PRECEDENT

- 5.1 All conditions precedent contained in the Agreement have been fulfilled and that the Agreement has accordingly become unconditional.

6. FINANCIAL INFORMATION

- 6.1 The market value of the net assets that are the subject of the transaction was R 65 000 000.00 and such assets were acquired at a yield of 9.75%.
- 6.2 The forecast yield was based on information derived from budgets and lease agreements in respect of the transaction and assumed that there were no unforeseen economic factors that would affect the ability of tenants to meet their commitments in terms of existing lease agreements.
- 6.3 The forecast, including the assumptions on which it was based and the financial information from which it was prepared, is the responsibility of the directors of the Company and has not been reviewed and reported on by independent reporting accountants.

7. CATEGORISATION OF THE TRANSACTION

7.1 In terms of the JSE Listings Requirements, the transaction constitutes a category 2 transaction for Rex Trueform, and therefore shareholder approval thereof was not required.

30 March 2023

Sponsor

The logo for Java Capital, featuring the word "JAVA" in a bold, blue, sans-serif font, followed by "CAPITAL" in a lighter, grey, sans-serif font. A thin blue horizontal line is positioned above the letters "A" and "V" in "JAVA".