

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 ALRODE INDUSTRIAL PARK

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 Benav Properties Proprietary Limited (the “**Purchaser**”) on 4 April 2023 (the “**Agreement**”) to dispose of Alrode Industrial Park (the “**Disposal**” or the “**Property**” or the “**Sale**”) for R50 million, to be cash settled (the “**Disposal Proceeds**”).

2. RATIONALE

Texton has limited exposure to industrial assets in its direct property portfolio. As such the Board has decided to exit the sector to focus on repurposing its office assets.

The Disposal Proceeds will be utilised to repay debt and invest to further develop its SME strategy. Furthermore, the recycling of capital will provide flexibility for future opportunities to diversify investment into other asset classes which appear attractively priced.

3. TERMS OF THE SALE

The Sale is subject to the following condition precedents (“**Condition Precedents**”) to be fulfilled by no later than 18 May 2023:

- the Purchaser confirming they are satisfied with their due diligence investigation undertaken in respect of the Property;
- the Purchaser receiving written confirmation that they have 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.

The beneficial owners of Benav Properties Proprietary Limited is the Rimon Trust, the Noless Trust and Mameshly Trust. The Purchaser is not a ‘related party’ in terms of the JSE Limited Listing Requirements.

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 million)	Book value (R)	Disposal Proceeds (R million)
Portion 125 (a portion of portion 29) of the Farm Roodekop	Industrial	17 279	R34.36	R2.272	55.000	50.000

Notes:

1. Unaudited net rental income attributable to the Property for the six months ended 31 December 2022 was R2 271 817.
2. Audited book value as at the year ended 30 June 2022.
3. The Sale Consideration 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
5 April 2023

CORPORATE ADVISER AND SPONSOR TO TEXTON
Investec Bank Limited