

## **REBOSIS PROPERTY FUND LIMITED (IN BUSINESS RESCUE)**

Incorporated in the Republic of South Africa

(Registration number: 2010/003468/06)

JSE share code: REA ISIN: ZAE000240552

JSE share code: REB ISIN: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or the "Company")

## **PUBLIC SALE PROCESS IN RESPECT OF REBOSIS ASSETS**

### **1. INTRODUCTION**

Shareholders are referred to the announcement released by the Company on 6 April 2023 confirming that creditors voted in favour of the adoption of the Rebosis Business Rescue Plan ("**BR Plan**") published on 17 March 2023, including amendments thereto during a meeting of creditors convened on 31 March 2023. Creditors also voted in favour of the adoption of Business Rescue Plans in respect of those Rebosis subsidiaries which are in Business Rescue at a meeting of creditors convened on 3 April 2023.

The BR Plan contemplates, *inter alia*, the restructuring of the property portfolio owned by the Company and its subsidiaries ("**Group**") by offering all the immovable properties in the Group for sale ("**Sale Properties**") pursuant to a Public Sale Process ("**PSP**").

The PSP will be implemented in accordance with the process outlined in the BR Plan and as further detailed in a Sales Process Letter ("**Process Letter**") which will be made available to Participants (as defined in paragraph 3 below).

This announcement ("**PSP Announcement**") provides salient information regarding the PSP, including requirements for prospective participants, and the administration of the PSP.

### **2. PARTICIPATION REQUIREMENTS FOR THE PSP**

Prospective participants must send an email to [psp@rebosis.co.za](mailto:psp@rebosis.co.za) by no later than 28 April 2023, indicating their desire to participate in the PSP ("**Registration email**") and include the following information in the Registration email if available:

- full name and/or registration number of the party who will be submitting any EOI, Binding Offer and/or Final Offer (as defined in paragraph 3 below) pursuant to the PSP;
- in the event that the prospective participant is an entity or partnership, full names and identity numbers of all directors, trustees or the like and the ultimate beneficial owners;
- address, VAT number and confirmation of tax compliance (if prospective participant is a VAT vendor), contact person and contact details (e-mail address and telephone number);
- confirmation that the prospective participant is acting as principal and not as agent;
- overview of any existing property portfolio owned and/or managed by the prospective participant, if any;

- the prospective participant's rationale for seeking to participate in the PSP; and
- whether the prospective participant is a related party to the Rebosis Group as defined in the JSE Limited ("JSE") Listings Requirements.

The Business Rescue Practitioners ("BRPs") will send an acceptance email in response to a compliant Registration email if they are satisfied with the details provided by the prospective participant, and the prospective participant will be requested to make payment of a non-refundable registration fee of R5 000 (five thousand Rand) (excluding VAT) ("**Registration Fee**") to an account specified by the Company.

Prospective participants will also be provided with a standard confidentiality agreement ("**NDA**") which they must execute in favour of the Group companies and return to [psp@rebosis.co.za](mailto:psp@rebosis.co.za), together with payment confirmation in respect of the Registration Fee, by no later than three business days post receipt.

### **3. PSP PROCESS DESCRIPTION**

#### **3.1 EOI Phase**

On payment of the Registration Fee reflecting in the relevant bank account and a duly executed copy of the NDA being delivered to the BRPs, prospective participants may be admitted as participants in the PSP by the BRPs ("**Participants**"). Prospective participants have until 8 May 2023 to complete registration for participation in the PSP ("**Registration Deadline**").

Participants will be given access to a virtual data room ("**VDR**") containing a Process Letter and other information regarding the Sale Properties which Participants may utilise to inform the content of an expression of interest letter ("**EOI**") to be submitted by each Participant by 9 May 2023 ("**EOI Submission Date**").

The Participants may also be given the opportunity to attend optional site visits (facilitated by Rebosis and the BRPs) of the Sale Properties that are not accessible to the public, subject to tenant consent, if applicable. Additional information regarding the timetable and logistics regarding site visits will be communicated to Participants in the Process Letter.

Participants will have the opportunity to pose questions regarding the Sale Properties and/or any aspect of the PSP via email or via the VDR. Questions will be collated by the BRPs and answered in a document to be shared with the Participants via the VDR.

Participants will be required to submit a compliant EOI by the EOI Submission Date. Certain minimum disclosures must be included in the EOI in order for an EOI to be compliant ("**EOI Requirements**") and these requirements will be considered by the BRPs when

assessing each EOI received. The full list of EOI Requirements will be detailed in the Process Letter, but includes:

- Identity and technical capacity of the Participant;
- B-BBEE credentials of the Participant;
- Strategic rationale of the Participant;
- Financial capacity to be able to execute on the Proposed Transaction;
- Sale Properties forming the subject of the EOI and the proposed consideration; and
- Conditions to and approvals required for, any potential offer (including public interest and competition considerations applicable to the Competition law approvals process).

The BRPs and the secured creditors (“**Secured Creditors**”) in respect of the Sale Properties that form the subject of any given EOI will consider and evaluate all the EOIs with the objective of determining and selecting the Participants who will be invited to progress as preferred bidders (“**Preferred Bidders**”) to the Due Diligence and Offer Phase, as defined in paragraph 3.2 below. It is intended that the Preferred Bidders will be notified of their selection by 12 May 2023 (“**Preferred Bidder Notification Date**”).

### **3.2 Due Diligence and Offer Phase**

#### *Due Diligence*

Preferred Bidders will be granted access to additional information via the VDR for purposes of a due diligence investigation of the Sale Properties which form the subject of their respective EOIs (“**DD**” or “**Due Diligence**”).

The DD may be undertaken during the DD Period, as per the PSP Timeline (see paragraph 4 below). During the DD Period, Preferred Bidders will have an opportunity to submit written questions via email, which will be collated and responded to at specified intervals in accordance with a process set out in the Process Letter or otherwise notified to Preferred Bidders. In addition, Preferred Bidders will have an opportunity to participate in a scheduled Q&A session regarding the Sale Properties which form the subject of their respective EOIs.

#### *Binding Offers*

A template sale and purchase agreement will be made available to Preferred Bidders in the VDR (“**Template SPA**”). The Preferred Bidders who wish to proceed to make a binding offer

in respect of any Sale Properties will be required to submit irrevocable binding offers (“**Binding Offers**”) by 29 June 2023 (“**Binding Offer Date**”).

Binding Offers must include a marked-up version of the Template SPA and must include all terms and conditions that form part of the Binding Offer. Binding Offers must be accompanied by proof of funding in a form acceptable to the BRPs for the full purchase price contained in the Binding Offer.

As may be required, negotiations between the BRPs, relevant Secured Creditors and Preferred Bidders may commence regarding the terms of any Binding Offer with a view to optimising the terms to be contained in Final Offers (as defined below).

### Final Offers

Without detracting from the irrevocable and binding nature of the Binding Offers, Preferred Bidders may propose revisions to their Binding Offers following feedback received from the BRPs in respect of their Binding Offers, with a view to submitting, subject to the consent of the BRPs (in their discretion), a replacement final offer, including a marked-up version of the Template SPA which includes all terms and conditions that form part of the final offer (“**Final Offer**”) before 20 July 2023 (“**Final Offer Date**”).

### **3.3 Award Phase**

Evaluation of the Final Offers will be undertaken by the BRPs in consultation with the relevant Secured Creditors. The selection of successful bidders in respect of the Sale Properties (“**Successful Bidders**”) will be communicated to the Successful Bidders as soon as a decision has been made by the BRPs and the relevant Secured Creditors, but by no later than one week from the Final Offer Date.

The Final Offers submitted by the Successful Bidders, on terms acceptable to the BRPs and Secured Creditors, will be accepted and signed by the BRPs on behalf of the applicable Group company and become the final sale agreement in respect of such transaction (“**Final Sale Agreement**”) by no later than two weeks after the Final Offer Date.

## **4. PSP TIMELINE**

The below table sets out the deadlines for various deliverables in terms of the PSP. Any submissions made after the relevant deadline (subject to the potential extension of any deadline by the BRPs with the consent of 75% of the voting interests of the remaining Secured Creditors in respect of the Sale Properties that remain in the PSP prior to the expiry of such deadline) will not be considered by the BRPs.

The BRPs will have the right to amend these time periods as may be required to most efficiently manage the PSP and optimise the potential outcome. These deadlines are merely indicative and may be reduced in the discretion of the BRPs where necessary and required.

<b>Milestone</b>	<b>Indicative Date (2023)</b>
PSP Announcement	6 April
Commencement of EOI Phase	6 April
Deadline for receipt of Registration emails	28 April
Registration Deadline	8 May
EOI Submission Date	9 May
Preferred Bidder Notification Date	12 May
Due Diligence ("DD Period")	13 May – 29 June
Binding Offer Date	29 June
Final Offer Date	20 July
Selection of Final Purchaser and conclusion of Final Sale Agreement	27 July

## 5. FURTHER INFORMATION

The EOI Phase of the PSP commences as of today 6 April 2023. Prospective participants are encouraged to follow the process to register in accordance with the process detailed in paragraphs 2 and 3 above.

For further information relating to the Participation Requirements, please contact [psp@rebosis.co.za](mailto:psp@rebosis.co.za).

Direct, unauthorised contact regarding the PSP with either Rebosis, its directors, management, creditors (other than for commercial purposes of securing funding in relation to the PSP) or staff may result in exclusion from the PSP.

## 6. DISPENSATION FROM THE JSE LISTINGS REQUIREMENTS

Following Rebosis being placed into business rescue, a request was submitted to the JSE to apply the provisions of Schedule 11 (Rescue Operations) of the JSE Listings Requirements ("**Schedule 11 Application**") such that paragraphs 9.20 to 9.29 of the JSE Listings Requirements are modified, given that Rebosis is in financial distress and unable to fully comply with the JSE Listings Requirements. In terms of the Schedule 11 Application, the BRPs confirmed that, *inter alia*, any disposals pursuant to the BR Plan will be regulated by the Companies Act, 71 of 2008 ("**Companies**

**Act**”). As a result, the JSE agreed to apply the provisions of Schedule 11 on the basis of the following representations by the BRPs on behalf of Rebois:

- 6.1 in respect of the implementation of the PSP, which will result in the disposal of a substantial part of Rebois’s business, the BRPs are acting in the best interests of Rebois and shareholders as a whole and that if the PSP is not implemented, Rebois will be unable to meet its financial commitments as they fall due;
- 6.2 in circumstances where the Group is reliant on ongoing post-commencement finance (“**PCF**”) from certain creditors of the Group (“**PCF Funders**”), the delays and uncertainty attendant on obtaining shareholder approval for potential disposals (which is not a requirement to approve the BR Plan in terms of the Companies Act), as contemplated in the JSE Listings Requirements, would fatally compromise the business rescue process;
- 6.3 currently the only financing available to the Group is the PCF provided by the PCF Funders and such funding was only provided on the basis that the BR Plan was in a form acceptable to the PCF Funders;
- 6.4 all other funding methods have been exhausted and the only option remaining is the disposal of a substantial part of the Group’s business;
- 6.5 the PSP will be conducted on an arm’s-length basis and if any disposal as contemplated by the PSP is to a related party as defined in the JSE Listings Requirements, such disposal will only be pursued if it is the best and/or only available option in the circumstances and the BRPs will consult with the JSE prior to the conclusion of a disposal(s) to a related party;
- 6.6 the implementation of transactions pursuant to the PSP will not constitute “affected transactions” as contemplated in Chapter 5 of the Companies Act;
- 6.7 the BRPs, in consultation with Rebois’s JSE sponsor (“**Sponsor**”) and the JSE, will assess if there are any unusually large disposals at any time and whether such a disposal will require a separate announcement; and
- 6.8 once the disposal processes under the BR Plan have been implemented, a decision can be made as to whether (if there are remaining assets) it will be appropriate for the Company to apply for the suspension of trading of its securities to be lifted and for it to remain listed on the JSE.

The Sponsor confirms that, in its opinion and on the basis of information available to the Sponsor, that Rebois is in severe financial difficulty as evidenced by it being in business rescue, and that

it will not be in a position to meet its obligations as they fall due unless the PSP takes place according to the proposed timetable.

## **7. PARTIES INVOLVED IN THE BUSINESS RESCUE PROCESS**

The following parties have been involved in the Business Rescue Process:

- Java Capital Proprietary Limited and Black Acres Proprietary Limited ("**Black Acres**") advising the BRPs;
- Deloitte & Touche providing financial modelling and liquidity support services to the BRPs; and
- Cliffe Dekker Hofmeyr Inc as legal advisors to the BRPs.

Prior to the appointment of Black Acres, Mr Otis Tshabalala, disclosed to the BRPs his prior relationship with Mr Thulani Moyo of Black Acres. The BRPs have assessed this relationship and have determined that it is not prejudicial to the Company or the Business Rescue.

The BRPs, with the assistance of Rebosis will be responsible for conducting and administering the PSP. The BRPs undertake to publish monthly updates on SENS on the progress of the PSP which will include a description of the assets and value realised during the period.

For further reference, the Rebosis BR Plan is available at <https://www.rebosis.co.za/business-rescue/business-rescue-plan/>

6 April 2023

BRPs: Phahlani Mkhombo and Jacques du Toit

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited