

## CASTLEVIEW PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/290413/06)

JSE share code: CVW

ISIN: ZAE000251633

(Approved as a REIT by the JSE)

("Castlevview" or the "Company")



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## DISPOSAL OF MAKHAZA SHOPPING CENTRE TO A RELATED PARTY

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### 1. Introduction and rationale

Shareholders are advised that Castlevview has, through its wholly-owned subsidiary Interurban Willowbridge (RF) Proprietary Limited (the "**Seller**"), concluded a sale and purchase agreement to dispose of Erf 59034 Khayelitsha, Situate in the City of Cape Town Cape Division, Province of the Western Cape (the "**Property**"), as well as the assets and liabilities attached to the Property (collectively, the "**Business**") to Mirlem IP Proprietary Limited ("**Mirlem**" or the "**Purchaser**") (the "**Disposal**"). The ultimate beneficial owners of Mirlem are Wilhelmus Loubser and Paul Munday.

The Disposal is subject to the fulfilment of the conditions precedent detailed in paragraph 2 below and shall become effective on the date of registration of transfer of the Property into the name of the Purchaser (the "**Date of Transfer**").

The shopping centre known as Makhaza Shopping Centre is constructed on the Property and is an 8 794m<sup>2</sup> retail centre located in Khayelitsha, Cape Town.

Castlevview believes that the proceeds of the disposal of the Property can be used to generate returns greater than the Company will receive by continuing to hold the Property, and therefore intends to sell the Property on the terms indicated in this announcement.

### 2. Terms of the Disposal

#### 2.1. Purchase consideration

The consideration payable for the Business is R140 000 000 (the "**Purchase Price**"), which shall be paid to the Seller in cash on the Date of Transfer.

#### 2.2. Conditions precedent

The Disposal is subject to the fulfilment of the following conditions precedent:

- the Seller obtaining board, shareholder (if required) and bank resolutions approving the Disposal within 3 months of the date of signature of the sale and purchase agreement;
- the Purchaser obtaining a board resolution approving the purchase of the Business within 4 weeks of date of signature of the sale and purchase agreement; and
- receipt of approval from the Competition Commission to the extent applicable.

The Seller and the Purchaser may, in writing, extend the dates of fulfilment of any of the conditions precedent to such further date/s as they may agree, in writing.

#### 2.3. Other material terms

The agreement in respect of the Disposal contains warranties which are normal for a transaction of this nature.

The Seller shall prepare an adjustment account in respect the Business, including the Property, as at the Date of Transfer (the “**Adjustment Account**”) and deliver the Adjustment Account to the Purchaser.

The Adjustment Account shall take into account the following in respect of the Business and the Property:

- all rentals and other income due and payable prior to the Date of Transfer and collected after the Date of Transfer;
- all amounts of municipal service fees, surcharges on fees, property rates, municipal tax and other municipal charges for any period before the Date of Transfer or pre-paid for any period after the Date of Transfer;
- the amounts of any levies, including special levies not paid for any period before the Date of Transfer or pre-paid for any period after the Date of Transfer;
- any tenant’s deposit, excluding interest and the value of arrear indebtedness of the tenant to the Seller, arising prior to the Date of Transfer;
- all rentals and other income pre-paid to the Seller for the period after the Date of Transfer; and
- any other expenses reasonably incurred during the periods before and after the Date of Transfer.

Payment of any amounts due to either the Seller or the Purchaser in terms of the Adjustment Account shall not constitute part of the Purchase Price and shall be effected separately from the payment of the Purchase Price.

### 3. **Property specific information**

<b>Property name</b>	<b>Geographical location</b>	<b>Sector</b>	<b>GLA (m<sup>2</sup>)</b>	<b>Weighted average basic rental per m<sup>2</sup> (R/m<sup>2</sup>)</b>	<b>Purchase consideration for the Business (R)</b>	<b>Value attributed to the Property as at 31 March 2023 (R)</b>
Makhaza Shopping Centre	Khayelitsha, Western Cape	Retail	8 794	152.03	140 000 000	136 050 000

The valuation of the Property has been carried out by Spectrum Valuations and Asset Solutions Proprietary Limited (“**Spectrum**”) as at 31 March 2023. Spectrum is an external valuer as defined in section 13 of the JSE Listings Requirements.

The purchase price payable for the Business (including the Property) is considered to be its fair market value, as determined by the directors of the Company. The directors of the Company are 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.

The net profit after tax attributable to the Business in Castlevie’s consolidated statement of comprehensive income for the 13 month financial year ended 31 March 2023 was R12.63 million.

### 4. **Related party transaction**

Paul Munday and Wilhelmus Loubser, who are the ultimate beneficial owners of Mirlem, also form part of the ultimate beneficial ownership of I Group Investments Proprietary Limited, a material shareholder of Castlevie. The Disposal therefore constitutes a transaction with related parties, but due to its size in relation to Castlevie’s market capitalisation, only requires announcing and is not subject to shareholder approval.

26 June 2023

Designated advisor

**JAVACAPITAL**