

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")

DISPOSAL OF PROPERTIES

1. Introduction

Rebosis shareholders are referred to the business rescue plan ("**BR Plan**") published on 17 March 2023, the announcement released on SENS on 6 April 2023 relating to the public sale process ("**PSP**") in respect of Rebosis' assets, as well as the monthly update announcements, the latest announcement having been released on SENS on 15 August 2023. Rebosis is now in a position to confirm that in terms of the PSP it has entered into agreements to dispose of certain properties together with the rental enterprises conducted thereon as follows:

- 1.1 a portfolio sale agreement ("**CBD Agreement**") between Phahlani Lincoln Mkhomo N.O. and Jacques du Toit N.O. (in their capacity as the duly appointed joint business rescue practitioners ("**Joint BRPs**") of Ascension Properties Proprietary Limited, Rebosis, Main Street 1119 Proprietary Limited, Cape Horizon Properties 125 Proprietary Limited (all in business rescue)) and CBD Investments Proprietary Limited ("**CBD**"), to dispose of a portfolio of properties ("**CBD Disposal Properties**"), for an aggregate consideration of R3,005,832,000 (the "**CBD Disposal**"); and
- 1.2 a portfolio sale agreement ("**Hangar 18 Portfolio Agreement**") and a separate sale of rental enterprise agreement ("**Bloed Street Agreement**") (collectively, the "**Hangar 18 Agreements**") between the Joint BRPs of Rebosis, Bay West City Proprietary Limited, Forest Hill City Shopping Centre Proprietary Limited (all in business rescue) and Hangar 18 Investments Proprietary Limited ("**Hangar 18**") to dispose of a portfolio of properties ("**Hangar 18 Portfolio Properties**") and a separate property ("**Bloed Street Property**") together with a material lease ("**Bloed Street Lease**") (the Hangar 18 Portfolio Properties and the Bloed Street Property being collectively referred to as the "**Hangar 18 Disposal Properties**"), for an aggregate consideration of R3,580,000,000 in respect of the Hangar 18 Portfolio Properties and an aggregate consideration of R420,000,000 for the Bloed Street Property and Bloed Street Lease (collectively the "**Hangar 18 Disposals**"),

(collectively the "**Disposals**").

Ascension Properties Proprietary Limited, Main Street 1119 Proprietary Limited, Cape Horizon Properties 125 Proprietary Limited, Bay West City Proprietary Limited and Forest Hill City Shopping Centre Proprietary Limited are all subsidiaries of Rebosis (in business rescue) and, together with Rebosis, collectively comprise the "**Rebosis Group**".

The Disposals will become effective following the fulfilment or waiver of the conditions precedent, referred to below, on the date of registration of transfer of ownership of the CBD Disposal Properties and the Hangar 18 Disposal Properties into the name of CBD and Hangar 18, respectively ("**Transfer Dates**") which are anticipated to be by or about 21 February 2024.

2. Rationale and use of proceeds

The PSP was initiated in accordance with the approved BR Plan to facilitate the disposal of Rebosis Group assets in order to reduce the overall Rebosis Group debt. The Disposals are in accordance with the PSP and are the culmination of a competitive process. The proceeds of the Disposals will be used to reduce the existing indebtedness of the Rebosis Group.

3. Terms and conditions of the Disposals

3.1 Purchasers

The beneficial shareholders of CBD and Hangar 18 are as follows:

- 3.1.1 CBD – the Gusi Trust, being a Herring Family Trust; and
- 3.1.2 Hangar 18 – Ferryman Capital Partners (Pty) Ltd, Hulk Investments (Pty) Ltd, Jade Capital Partners (Pty) Ltd and the beneficiaries of the Ubuntu Football Trust.

CBD and Hangar 18 are not related parties of Rebosis in terms of the JSE Limited (“**JSE**”) Listings Requirements.

3.2 Disposal considerations

The disposal considerations payable for the Disposals are as follows:

- 3.2.1 CBD Disposal – an amount of R3,005,832,000 for the CBD Disposal Properties (“**CBD Disposal Consideration**”), the individual considerations payable for each property being payable on transfer of ownership of each individual property comprising the CBD Disposal Properties; and
- 3.2.2 Hangar 18 Disposals – an amount of R3,580,000,000 for the Hangar 18 Portfolio Properties and R420,000,000 for the Bloed Street Property (collectively, the “**Hangar 18 Disposal Considerations**”), the individual considerations payable for each property being payable on transfer of ownership of each individual property comprising the Hangar 18 Disposal Properties.

The disposal considerations are subject to the usual adjustments applicable on sales of immovable property.

3.3 Undertakings, warranties and indemnities

The CBD Agreement and Hangar 18 Agreements provide for terms which are normal for transactions of this nature, including that the employees predominantly assigned to the rental enterprises being sold will transfer to the respective purchasers in terms of section 197 of the Labour Relations Act, No 66 of 1995, as amended.

4. Conditions precedent

4.1 CBD Disposal

The CBD Disposal is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- 4.1.1 by no later than 10 business days after the signature date of the CBD Agreement (“**CBD Signature Date**”), any creditor of the Rebosis Group with a claim (other than a disputed claim) (“**Secured Creditor**”) providing their written consent to the CBD Disposal as contemplated in the CBD Agreement, to the extent required;
- 4.1.2 by no later than 15 business days after the CBD Signature Date, CBD furnishing the Rebosis Group with bank guarantees for the payment of the CBD Disposal Consideration from a bank, registered as a financial institution in South Africa, acceptable to the Rebosis Group, and on terms acceptable to the Rebosis Group which guarantees are payable on the applicable Transfer Dates; and

- 4.1.3 by not later than 180 days after the CBD Signature Date, the CBD Disposal having been approved by the Competition Authorities in terms of the Competition Act, No 89 of 1998 ("**Competition Act**") either unconditionally or, in the event of a conditional approval, on terms and conditions which the party adversely affected by such terms and conditions confirms in writing to be acceptable to it.

4.2 Hangar 18 Disposals

The disposals under the Hangar 18 Portfolio Agreement ("**Hangar 18 Portfolio Disposals**") are subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- 4.2.1 by no later than 10 business days after the signature date of the Hangar 18 Portfolio Agreement ("**Hangar 18 Portfolio Signature Date**"), any Secured Creditor providing their written consent to the Hangar 18 Portfolio Disposals as contemplated in the Hangar 18 Portfolio Agreement, to the extent required;
- 4.2.2 by no later than 15 business days after the Hangar 18 Portfolio Signature Date, Hangar 18 furnishing the Rebosis Group with bank guarantees for the payment of the Hangar 18 Disposal Considerations payable under the Hangar 18 Portfolio Agreement from a bank, registered as a financial institution in South Africa, acceptable to the Rebosis Group, and on terms acceptable to the Rebosis Group, which guarantees are payable on the applicable Transfer Dates;
- 4.2.3 by not later than 180 days after the Hangar 18 Portfolio Signature Date:
- 4.2.3.1 the Hangar 18 Portfolio Disposals, to the extent required, having been approved by the Competition Authorities in terms of the Competition Act, either unconditionally or, in the event of a conditional approval, on terms and conditions which the party adversely affected by such terms and conditions confirms in writing to be acceptable to it;
 - 4.2.3.2 the Bloed Street Agreement having been entered into and having become unconditional in accordance with its terms, save for (1) any condition requiring that the Hangar 18 Portfolio Agreement becomes unconditional and (2) any condition requiring the consent of The City of Tshwane Metropolitan Municipality for the assignment of the Bloed Street Lease to Hangar 18;
 - 4.2.3.3 the counterparty to the Sunny Park Checkers lease having waived its pre-emptive rights under such lease or the parties to such lease have concluded an amended lease in terms of which such counterparty is not entitled to any such rights; and
 - 4.2.3.4 the City of Tshwane Metropolitan Municipality having provided its consent to the transfer of the Forest Hill property to Hangar 18 as required by the Forest Hill notarial tie agreement.

The disposal under the Bloed Street Agreement ("**Bloed Street Disposal**") is subject to the fulfilment or waiver, as the case may be, of the following conditions precedent:

- 4.2.4 by not later than the signature date of the Bloed Street Agreement ("**Bloed Street Signature Date**"), all such resolutions as may be necessary in order to approve and implement the provisions of the Bloed Street Agreement have been passed by the directors and shareholders of Hangar 18;
- 4.2.5 by no later than 10 business days after the Bloed Street Signature Date, any Secured Creditor providing their written consent to the Bloed Street Disposal as contemplated in the Bloed Street Agreement, to the extent required;

- 4.2.6 by no later than 15 business days after the Bloed Street Signature Date, Hangar 18 furnishing the Rebosis Group with bank guarantees for the payment of the Hangar 18 Disposal Considerations payable under the Bloed Street Agreement from a bank, registered as a financial institution in South Africa, acceptable to the Rebosis Group, and on terms acceptable to the Rebosis Group, which guarantees are payable on the applicable Transfer Dates;
- 4.2.7 by not later than 180 days after the Bloed Street Signature Date:
 - 4.2.7.1 the Bloed Street Disposal, to the extent required, having been approved by the Competition Authorities in terms of the Competition Act, either unconditionally or, in the event of a conditional approval, on terms and conditions which the party adversely affected by such terms and conditions confirms in writing to be acceptable to it;
 - 4.2.7.2 the Hangar 18 Portfolio Agreement having been entered into and having become unconditional in accordance with its terms, save for any condition requiring that the Bloed Street Agreement becomes unconditional; and
 - 4.2.7.3 the City of Tshwane Metropolitan Municipality having provided its consent to the assignment of the Bloed Street Lease to Hangar 18, either unconditionally or, in the event of a conditional approval, on terms and conditions which the party adversely affected by such terms and conditions confirms in writing to be acceptable to it.

5. Details of the CBD Disposal Properties and Hangar 18 Disposal Properties, and related financial information

Details of the CBD Disposal Properties and Hangar 18 Disposal Properties are as follows:

Property name	Location	Sector	Gross lettable area (sqm)	Single or multi tenanted	Weighted average rental per sqm ¹ (R)	Net operating income/ (loss) ¹ (R'000)	Vacancy rate ¹	Disposal consideration (R'000)	Property value ² (R'000)
Bloed Street Mall	Pretoria	Retail	27 178	Multi	169,56	44 562	4,6%	420 000	350 000
Sunnypark Mall	Pretoria	Retail	27 890	Multi	129,74	16 987	25,2%	580 000	530 000
Forest Hill City	Centurion	Retail	73 443	Multi	64,43	1 524	44,9%	400 000	500 000
Hemingways Mall	East London	Retail	73 774	Multi	144,85	141 357	7,2%	1 300 000	1 265 000
Baywest Mall	Port Elizabeth	Retail	90 828	Multi	116,65	79 850	12,4%	1 300 000	1 250 000
11 Diagonal Street	Johannesburg	Offices	37 758	Multi	150,97	74 425	9,1%	422 233	460 000
124 Main Street	Johannesburg	Offices	20 818	Single	112,37	29 673	0,0%	238 654	260 000
174 Visagie Street	Pretoria	Offices	13 376	Vacant	0,00	10 478	1,0%	41 600	58 000
18 Rissik Street	Johannesburg	Offices	11 204	Single	108,17	17 932	0,0%	119 327	130 000
189 Schoeman Street	Pretoria	Offices	19 332	Multi	135,08	26 125	49,4%	183 580	200 000
28 Harrison Street	Johannesburg	Offices	20 984	Multi	85,25	10 885	2,5%	99 133	108 000
64 Eloff Street	Johannesburg	Offices	4 938	Multi	135,44	6 883	0,0%	45 895	50 000
99 Market Street	Johannesburg	Offices	11 679	Multi	71,88	5 004	2,4%	67 924	74 000
Antalis	Johannesburg	Offices	18 954	Single	49,78	8 917	0,0%	100 969	100 000
Arbour Square	Johannesburg	Offices	9 206	Multi	74,60	3 030	2,8%	47 731	52 000
Bank of Lisbon	Pretoria	Offices	14 599	Multi	100,75	12 354	0,0%	110 148	120 000
Game Building	Johannesburg	Offices	21 437	Multi	31,44	2 910	1,5%	55 074	60 000
Jabu Ndlovu	Pietermaritzburg	Offices	11 455	Multi	123,06	13 070	0,0%	110 148	120 000
Liberty Building	Pretoria	Offices	33 885	Single	158,68	56 901	0,0%	321 264	350 000
NPA Building	Pretoria	Offices	24 720	Single	123,88	45 065	0,0%	504 844	550 000
Revenue Building	Pietermaritzburg	Offices	7 314	Single	121,47	7 743	0,0%	68 842	75 000
Riverpark	Nelspruit	Offices	4 215	Multi	109,16	4 696	1,3%	36 716	40 000
Riverview	Nelspruit	Offices	4 303	Multi	32,25	926	2,1%	22 030	24 000
SALU Building	Pretoria	Offices	30 354	Single	156,11	63 943	0,0%	183 580	200 000
SASSA Campus	Mafikeng	Student accommodation	11 665	Multi	32,23	77	0,0%	60 000	90 000
Surrey House	Johannesburg	Offices	11 738	Single	117,26	20 892	22,9%	137 685	150 000
Swiss House	Johannesburg	Offices	7 807	Vacant	0,87	-3 046	1,0%	28 455	31 000
Total			644 854			703 163		7 005 832	7 197 000

Notes:

1. The weighted average rentals, net operating income/(loss) and vacancy rates have been extracted from Rebosis' latest unaudited management report as at July 2023.
2. The valuations were performed as at 1 April 2023 by Quadrant Properties who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
3. The financial information in this announcement is the responsibility of the Joint BRPs and the board of directors of Rebosis (the "**Board**") and has not been reported on or reviewed by Rebosis' auditors.

6. Categorisation

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 such that paragraphs 9.20 to 9.29 of the JSE Listings Requirements are modified. As a result, the JSE agreed to apply the provisions of Schedule 11 (Rescue Operations) and the Disposals, although being Category 1 transactions, are not subject to Rebosis shareholder approval.

7. Additional information

- 7.1 As required in terms of Schedule 11 (Rescue Operations), this announcement sets out all relevant information in terms of paragraph 9.15 of the JSE Listings Requirements.
- 7.2 Rebosis is currently operating in terms of the BR Plan and only following conclusion of the PSP will the Company be in a position to determine its next steps in accordance with the BR Plan. As envisaged in the BR Plan, the Joint BRPs have, to the extent possible, preserved the employment

of circa 70% of affected employees. The Joint BRPs will endeavour to preserve the employment of affected employees in respect of the remaining Rebosis Group properties.

- 7.3 In the opinion of the Joint BRPs and the Board, the Rebosis Group does not generate sufficient cash to cover its operating expenses, including interest payments on its debt. The working capital available to the Rebosis Group is therefore not sufficient for the Rebosis Group's present requirements and the Company has entered into post-commencement finance arrangements with certain of its creditors to enable the Rebosis Group to continue operating pending conclusion of the PSP.

Johannesburg
23 August 2023

Joint BRPs:	Phahlani Mkhombo and Jacques du Toit
Advisors to the Joint BRPs:	Java Capital Proprietary Limited, Blackacres Capital Proprietary Limited, Deloitte & Touche
Legal Advisors to the Joint BRPs:	Cliffe Dekker Hofmeyr Inc.
Sponsor to Rebosis:	Nedbank Corporate and Investment Banking, a division of Nedbank Limited
Advisors to Nedbank Property Finance as a Secured Creditor:	Nedbank Corporate and Investment Banking, a division of Nedbank Limited