

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 a portfolio sale agreement ("**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 (in business rescue) and Hemipac Investments Proprietary Limited ("**Hemipac**"), to dispose of a portfolio of properties, together with the rental enterprises conducted thereon ("**Disposal Properties**"), for an aggregate consideration of R650,000,000 (the "**Disposal**").

Ascension Properties Proprietary Limited is a subsidiary of Rebosis (in business rescue).

The Disposal 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 Disposal Properties into the name of Hemipac ("**Transfer Date**") which are anticipated to be by or about 28 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 Disposal is in accordance with the PSP and is the culmination of a competitive process. The proceeds of the Disposal will be used to reduce the existing indebtedness of the Rebosis group.

3. Terms and conditions of the Disposal

3.1 Purchaser

The beneficial shareholder of Hemipac is SKG Africa (Pty) Ltd.

Hemipac is not a related party of Rebosis in terms of the JSE Limited ("**JSE**") Listings Requirements.

3.2 Disposal consideration

The disposal consideration payable for the Disposal is an amount of R650,000,000, the individual considerations payable for each property being payable on transfer of ownership of each individual property comprising the Disposal Properties.

The disposal consideration is subject to the usual adjustments applicable on sales of immovable property.

3.3 Undertakings, warranties and indemnities

The Agreement provides 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 purchaser in terms of section 197 of the Labour Relations Act, No 66 of 1995, as amended.

4. Conditions precedent

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

- 4.1 by no later than 10 business days after the signature date of the Agreement (“**Signature Date**”), any creditor of Rebosis with a relevant secured claim (“**Secured Creditors**”) providing their written consent to the Disposal as contemplated in the Agreement, to the extent required;
- 4.2 by no later than 15 business days after the Signature Date, Hemipac having concluded a credit approved term sheet with Investec Bank Limited on terms acceptable to Hemipac and providing a copy thereof to Rebosis;
- 4.3 by no later than 30 business days after the Signature Date, Hemipac furnishing Rebosis with bank guarantees for the payment of each individual Disposal Property’s purchase price from a bank or banks, registered as a financial institution in South Africa, acceptable to Rebosis, and on terms acceptable to Rebosis; and
- 4.4 by not later than 180 business days after fulfilment of the condition precedent set out in paragraph 4.1 above, the Disposal having been approved by the Competition Authorities in terms of the Competition Act, No 89 of 1998, 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 Disposal Properties, and related financial information

Details of the 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)
373 Pretorius Street	Pretoria	Offices	13 340	Vacant	-	-3 589	100%	67 000	55 000
Bathopele	Johannesburg	Offices	11 500	Vacant	-	-5 078	100%	57 759	40 000
Grand Central	Cape Town	Offices	33 446	Multi	38,67	12 019	88%	167 979	320 000
Mishumo House	Johannesburg	Offices	6 154	Multi	120,50	3 425	6%	30 908	52 000
NBC Building	Braamfontein	Offices	10 000	Vacant	14,88	-2 112	91%	50 225	40 000
Prorom Building	Nelspruit	Offices	6 442	Multi	143,93	7 273	0%	32 355	70 000
Schreiner Chambers	Johannesburg	Offices	19 241	Multi	66,50	13 904	53%	96 636	190 000
Sigma House	Belville	Offices	3 751	Multi	124,58	2 944	0%	18 839	32 000
Spectrum House	Belville	Offices	7 550	Multi	130,88	7 928	3%	37 950	80 000
VWL Building	Pretoria	Offices	17 989	Single	139,94	22 768	0%	90 349	190 000
Total			129 412			59 482		650 000	1 069 000

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 which 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 Disposal, although being a Category 1 transaction, is 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 75% of affected employees. The Joint BRPs will endeavour to preserve the employment of affected employees in respect of the remaining Rebosis properties.
- 7.3 In the opinion of the Joint BRPs and the Board, Rebosis does not generate sufficient cash to cover its operating expenses, including interest payments on its debt. The working capital available to Rebosis is therefore not sufficient for its present requirements and it has entered into post-commencement finance arrangements with certain of its creditors to enable Rebosis to continue operating pending conclusion of the PSP.

Johannesburg
5 September 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