

REBOSIS PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2010/003468/06)
JSE share codes:
REA ISIN: ZAE000240552
REB ISIN: ZAE000201687
Alpha code: REBI
(Approved as a REIT by the JSE)
("Rebosis" or the "Company")

PROPOSED DISPOSAL OF SEVEN PROPERTIES FOR AN AGGREGATE CONSIDERATION OF R2.189 BILLION

1. Introduction and rationale

Rebosis shareholders are hereby advised that the Company has itself, and through its wholly-owned subsidiary Ascension Properties Limited ("**Ascension**") (as the context may require, the "**Seller**"), entered into three sale and purchase agreements dated 29 and 30 November 2018 to dispose of seven properties ("**Properties**") in its office portfolio (the "**Disposals**") to various empowerment consortia, further demonstrating Rebosis' commitment to transformation in the property sector.

The Disposals, comprising of office buildings, forms part of the Company's strategy to be a retail-focused fund and to reduce the Company's gearing in line with the road-map outlined in the results announcement released on the Stock Exchange News Service on 12 November 2018. The proceeds of the Disposal will be used to reduce the existing debt of the Company. The Disposals will become effective on the date of registration of transfer of the Properties into the names of the respective purchasers ("**Transfer Date/s**").

2. The Disposals

2.1 The Aventure Disposal

Aventure Properties Proprietary Limited ("**Aventure**" or, as the context may require, the "**Purchaser**") is a women led 100% black owned and managed company, currently pursuing Property and Social Infrastructure Developments, and is represented by Mrs Tebogo Nkosi, Ms Joan Madibeng and Mr Mncedisi Ndlovhu.

In terms of an agreement concluded between Rebosis and Aventure, Rebosis has agreed to dispose of two properties: Erf 1264 Marshalls Town, Johannesburg ("**124 Main**") and Erf 1183, Marshalls Town, Johannesburg ("**18 Rissik**") to Aventure ("**Aventure Disposal**") for an aggregate consideration of the lesser of (i) R894,600,000 (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 124 Main is R556,100,000 and to 18 Rissik is R328,500,000.

2.2 The Endless Fortune Disposal

Endless Fortune Proprietary Limited ("**Endless Fortune**" or, as the context may require, the "**Purchaser**") is a 100% black owned company, that is actively acquiring Government tenanted portfolios, and is represented by Mr Mpho Maerane.

In terms of an agreement concluded between Rebosis and Endless Fortune, Rebosis has agreed to dispose of two properties: Erf 1271, Erf 191 and Portions 2,4, 5 and the remaining extent of Erf 1021 Marshalls Town, Johannesburg, ("**28 Harrison**") and Erf 2950 Pretoria ("**189 Schoeman**") to Fortune ("**Endless Fortune Disposal**") for an aggregate consideration of the lesser of (i) R588,840,872 (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to 28 Harrison is R230,640,872 and to 189 Schoeman is R358,200,000.

2.3 The Lunar Stone Disposal

Lunar Stone Trading Proprietary Limited ("**Lunar Stone**" or, as the context may require, the "**Purchaser**") is a 100% black owned and managed company, seeking to acquire and develop a large unlisted sovereign-focused property fund, and is represented by Mr Lemane Bridgman Sithole.

In terms of an agreement concluded between Rebosis and Lunar Stone Trading, Ascension has agreed to dispose of three properties: Erf 5327, Johannesburg, ("**Bathopele Building**"), Erven 676 and 4677, Johannesburg ("**Game Building**") and Erf 1236 Marshalls Town, Johannesburg ("**Surrey House**") to Lunar Stone ("**Lunar Stone Disposal**") for an aggregate consideration of the lesser of (i) R551,449,864 (inclusive of VAT at zero percent), or (ii) 9.75% yield on the 12 months forward net income of the market related rental on lease renewals achieved with the tenant. The maximum consideration attributable to Bathopele Building is R160,498,964, Game Building is R298,800,000 and Surrey House is R246,600,000.

2.4 The consideration payable for the Disposals

The considerations payable for the Disposals are payable as follows:

- 20% payable by way of a vendor loan granted by Rebosis to relevant Purchaser at an annual interest rate of 9.75% serviced quarterly in advance on an interest only basis, with an initial loan term of 36 months and secured by a second covering mortgage bond registered in favour of Rebosis ("**Vendor Loan Agreement**"); and
- the balance payable in cash on the Transfer Date.

Should the Transfer Date be later than 1 May 2019, the relevant consideration will accrue interest at 9.75%, calculated and expressed as an effective daily rate.

2.5 Warranties

The three agreements governing the Disposals contain representations and warranties by the Seller in favour of the relevant Purchaser which are standard for transactions of this nature.

3. The Properties and related financial information

Property information

Property	Location	Sector	Gross lettable area	Single or multi-tenanted	Weighted average gross rental per m ²	Value of the Properties*
			(m ²)		(R)	(R'm)
124 Main Street	CBD, Johannesburg	Office	20 818	Single tenanted	169.2	629
18 Rissik Street	CBD, Johannesburg	Office	11 204	Single tenanted	223.6	365
28 Harrison Street	CBD, Johannesburg	Office	20 984	Multi-tenanted	96.2	250
189 Schoeman Street	CBD, Pretoria	Office	19 332	Multi-tenanted	124.0	398
Bathopele Building	CBD, Johannesburg	Office	11 500	Single tenanted	119.6	173
Game Building	CBD, Johannesburg	Office	21 438	Multi-tenanted	120.7	332
Surrey House	CBD, Johannesburg	Office	11 840	Multi-tenanted	146.4	274

*The value of the Properties has been extracted from the Company's reviewed provisional results for the year ended 31 August 2018, which have been prepared in terms of IFRS. The valuations were performed by LDM Valuation Solutions (Pty) Ltd, who is independent from the Company and registered as a professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.

Financial information

Net profit after tax	12 months ended 31 August 2018 (R'm)
Aventro Disposal	91.3
Endless Fortune Disposal	55.9
Lunar Stone Disposal	74.4

The financial information provided above, which has been extracted from the Company's reviewed provisional results for the year ended 31 August 2018 and is prepared in terms of IFRS, is the responsibility of the directors of Rebasis and has not been reported on or reviewed by a reporting accountant.

4. Conditions precedent

The Disposals are subject to the fulfilment of the following outstanding conditions precedent:

- 4.1 within 5 business days of the signature of the relevant agreement, the Rebasis board of directors and the board of directors of the relevant Purchaser have approved the Disposals;
- 4.2 by no later than 28 February 2019, the relevant Purchaser has completed a due diligence investigation, to its satisfaction;
- 4.3 by no later than 31 January 2019, the relevant Purchaser has furnished the Seller with confirmation of funding from an acceptable financial institution as regards the consideration payable on the respective Transfer Dates;
- 4.4 by no later than 31 March 2019, the relevant Purchaser has furnished the Seller with a guarantee/s from an acceptable financial institution as regards the consideration payable on the respective Transfer Dates;
- 4.5 by no later than 14 March 2019, the Seller and the respective Purchasers have entered into the Vendor Loan Agreements and all conditions to which the agreements are subject have been fulfilled; and
- 4.6 by no later than 31 March 2019, and only to the extent if legally required, the relevant Competition authority approves the Disposal/s.

5. Categorisation

Each of the three Disposals constitute a Category 2 transaction for Rebasis in terms of the JSE Limited Listings Requirements, which merely require an announcement.

Johannesburg
3 December 2018

Investment Bank, Corporate Advisor, and Equity and Debt Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited