



Ascension Properties Limited
(Registration number 2006/026141/06)
JSE share code: AIA ISIN: ZAE000204566
(Approved as a REIT by the JSE)
("Ascension" or "the company")



Rebosis Property Fund Limited
(Registration number 2010/003468/06)
JSE share code: REB ISIN: ZAE000201687
(Approved as a REIT by the JSE)
("Rebosis")

JOINT ANNOUNCEMENT OF A FIRM INTENTION BY REBOSIS TO MAKE AN OFFER TO ACQUIRE 100% OF THE ISSUED A ORDINARY SHARES OF ASCENSION THAT IT DOES NOT ALREADY OWN BY SCHEME OF ARRANGEMENT

1. Introduction and rationale

Ascension and Rebosis have concluded an agreement in terms of which Rebosis has given notice of its firm intention to offer to acquire all of the Ascension A ordinary shares that Rebosis does not already own in exchange for Rebosis A ordinary shares, by scheme of arrangement (the "scheme").

Following the implementation of a scheme of arrangement between Ascension and Ascension B shareholders on 17 August 2015, Rebosis acquired (and subsequently delisted) all of the Ascension B shares in issue and Ascension became a listed subsidiary of Rebosis.

The proposed transaction will result in an enlarged market capitalisation for Rebosis, with economies of scale and enhanced liquidity. The terms of the Rebosis A ordinary shares effectively mirror the terms of the Ascension A ordinary shares. In addition, the cash-cover ratio applicable to the Rebosis A ordinary shares will be significantly higher than the cash-cover ratio applicable to Ascension A shares.

Rebosis and Ascension are of the view that the proposed transaction and the implementation of the scheme best advances the interests of their investors.

2. Scheme consideration

In terms of the scheme, if implemented, the Ascension A shares held by Ascension A shareholders will be exchanged for Rebosis A ordinary shares Rebosis ("**Rebosis A ordinary consideration shares**") on a swap ratio of 19.34236 Rebosis A ordinary consideration shares for every 100 Ascension A shares held.

In accordance with the terms of the Rebosis A ordinary consideration shares, upon the declaration of a distribution by Rebosis to its ordinary shareholders, no such distribution shall be paid to Rebosis ordinary shareholders unless the Rebosis A ordinary consideration shares have been paid their distribution, which shall be in the same amounts as Ascension A shares' entitlement to fixed income distributions. In addition, the rights of Rebosis A ordinary consideration shares in relation to voting and liquidation proceeds will effectively mirror those attaching to Ascension A shares save that –

- for every 5.17 Ascension A shares, an Ascension A shareholder will instead hold 1 Rebosis A ordinary consideration share with an entitlement to preferred income distributions, as referred to above;
- the voting rights attaching to the Rebosis A ordinary consideration shares will be not more than 25% of the total voting rights applicable to Rebosis shareholders collectively (that is the voting rights of the holders of Rebosis A ordinary consideration shares and Rebosis ordinary shares); and
- no further Rebosis A ordinary consideration shares will be created or issued.

3. Conditions

The scheme will be subject to the following suspensive conditions:

- approval by Rebosis shareholders and filing by the Companies and Intellectual Property Commission of the requisite special resolutions, including resolutions to amend the memorandum of incorporation and authorised shares of Rebosis, required to authorise the implementation of the scheme and the allotment and issue of the Rebosis A ordinary consideration shares;
- to the extent required under section 115(3) of the Companies Act, approval by the court of the implementation of the scheme resolution court is obtained and, if applicable, Ascension not having treated the special resolution

required in terms of section 115(2) of the Companies Act to approve the scheme (the “**scheme resolution**”) as a nullity, as contemplated in section 115(5)(b) of the Companies Act;

- Ascension shareholders not having given, in terms of section 164(3) of the Companies Act, valid notice of objection to the scheme resolution taken at the scheme meeting and those objecting Ascension shareholders not having voted against the scheme resolution at the scheme meeting;
- all applicable regulatory and statutory approvals are obtained; and
- such approvals, consents or waivers, if any, as may be required in terms of any debt funding agreement entered into by Ascension, in order to give effect to the scheme.

4. Undertaking to Rebosis A ordinary shareholders

In terms of the scheme Rebosis will provide an undertaking in favour of the holders of Rebosis A shares from time to time, that the directors of Rebosis shall not of their own accord initiate any process or steps designed to result in a conversion of the Rebosis A shares to Rebosis ordinary shares as contemplated in clause 18 of the Memorandum of Incorporation of Rebosis (which sets out the terms on which the Rebosis A ordinary shares may be converted into Rebosis ordinary shares), it being understood that such undertaking will not be construed as affecting the rights of Rebosis shareholders to effect such a conversion in terms of clause 18 of the Memorandum of Incorporation of Rebosis or as affecting any legal obligations which the directors of Rebosis may have in terms of clause 18 of the Memorandum of Incorporation of Rebosis.

5. Distributions

The Rebosis A ordinary consideration shares are to be issued “*cum*” entitlement to all distributions for the period from 1 September 2016.

Rebosis will declare and pay an interim distribution to Rebosis ordinary shareholders for the six months ending 31 August 2016 in the ordinary course of business.

In addition, Ascension will declare and pay an interim distribution to Ascension A shareholders and the Ascension B shareholder (Rebosis) for the six months ending 31 August 2016 in the ordinary course of business.

Rebosis’ interim distributions in respect of the Rebosis A ordinary shares and the Rebosis ordinary shares for the financial year ending 31 August 2017 will be for the period 1 September 2016 to 28 February 2017. The full interim distributions will be payable to all Rebosis shareholders who hold Rebosis A ordinary shares and Rebosis ordinary shares as at the record date for participation in such distribution.

6. Ascension board undertakings

Rebosis has received undertakings from Ascension that for the period up to the implementation of the scheme:

- Ascension will continue to conduct its business in the ordinary and regular course;
- save for the proposed acquisition by Ascension of the immovable property situate at 66 Jorissen Street, Johannesburg, the salient features of which have been disclosed to Rebosis and save as publically announced on SENS up to the date of this announcement (which, for the avoidance of doubt, includes the disposal of the properties known as Bergstan House, Matrix House and Nedbank Centre, announced on SENS on 11 August 2016) or as may be agreed to by Rebosis in writing, Ascension will not make any further acquisitions or effect any disposals;
- not declare or make any distributions other than as referred to in this announcement without the prior written consent of Rebosis;
- not solicit, initiate or encourage any expression of interest, enquiry, proposal or offer regarding any merger, amalgamation, business combination, takeover bid, sale or other disposition of all or substantially all of the equity in and/or business and/or assets of Ascension, or afford options to acquire equity, the business and/or assets of Ascension or enter into any negotiation or consummate any transaction for any type of similar transaction or series of transactions, which would or could constitute a change of control (as contemplated in section 123(5) of the Companies Act read with Regulation 86 of the Takeover Regulations) in relation to Ascension or which could reasonably be considered to be likely to preclude or frustrate the proposed transaction with Rebosis or its implementation (“**alternative proposal**”) or to approve or recommend an alternative proposal or enter into any agreement related to an alternative proposal.

7. Pro forma earnings and net asset value effects pertaining to the scheme

As the Ascension A shareholders will, in terms of the scheme, exchange their Ascension A shares for Rebosis A ordinary consideration shares that will effectively mirror the economics of the Ascension A shares (as referred to in paragraph 2) there will be no financial effect on Ascension A shareholders who elect to receive the Rebosis A consideration shares. In addition, the cash-cover ratio applicable to the Rebosis A ordinary consideration shares will be significantly higher than the cash-cover ratio applicable to Ascension A shares.

8. Ascension shareholder support

No Ascension A shareholder has given any undertaking to vote in favour of the A share scheme, however Coronation Asset Managers Proprietary Limited, acting on behalf of its clients (“**Coronation**”) which controls c.60% of the Ascension A shares in issue has provided Rebosis with a written ‘in principle’ letter of support in favour of the scheme.

9. Independent expert

In accordance with the requirements of chapter 5 of the Companies Regulations, the independent board comprises Haroon Takolia, Mervyn Burton, Nkosi-Yawo Gugushe and Mbulelo Renene, being directors Ascension has indicated are independent for the purposes of considering the scheme in accordance with the requirements of the Companies Regulations (the “**independent board**”).

The independent board will appoint an independent expert acceptable to the Takeover Regulation Panel (“**TRP**”) (as required in terms of section 114(2) of the Companies Act, read together with regulations 91(1) and 110 of the Companies Regulations) (the “**independent expert**”), to advise and report to the independent board on the offer by way of a fair and reasonable opinion. The independent expert’s full report as well as the independent board’s opinion of the scheme and the scheme consideration will be included in the circular to be issued to Ascension A shareholders in respect of the scheme.

10. Confirmation to the TRP

In accordance with the Companies Act’s Regulations, Rebosis has confirmed with the TRP that, upon the filing of the requisite special resolutions required to authorise the implementation of the scheme and the allotment and issue of the Rebosis A ordinary consideration shares, it will have a sufficient number of authorised and unissued Rebosis A ordinary shares in order to satisfy the offer.

11. Shareholding of Rebosis in Ascension

Rebosis currently holds:

- 28 001 628 Ascension A shares, comprising approximately 9.1% of the Ascension A shares in issue; and
- 376 359 014 Ascension B shares, comprising 100% of the Ascension B shares in issue.

12. No concert party arrangements

Rebosis is not acting in concert with any person in relation to the scheme.

13. Documentation and timing in regard to the scheme

Full details of the scheme will be set out in a joint circular which will be distributed by Rebosis and Ascension to each of the Ascension A shareholders within 20 business days after the date of this firm intention announcement and which will include the opinion of the independent expert referred to in paragraph 9 above, notice of the general meeting of Ascension A shareholders to approve the scheme, and the salient dates and times applicable to the scheme.

14. Categorisation of the scheme for Rebosis

The scheme is classified as a Category 2 transaction for Rebosis in terms of the JSE Listings Requirements. As such, it is not in terms of the JSE Listings Requirements, subject to approval by Rebosis shareholders.

A general meeting of Rebosis shareholders will be called to approve the requisite special resolutions, including a resolution to amend the memorandum of incorporation of Rebosis, required to authorise the implementation of the scheme and the allotment and issue of the Rebosis A ordinary consideration shares.

15. Property specific information

The property specific information required in terms of the JSE Listings Requirements in relation to each of the properties comprising Ascension’s property portfolio, is set out below.

	Property Name	Physical Address	Property description and use	Building rentable area (GLA)	Weighted Average Rental Per m ² (R)	Valuation as at 29 February 2016 (R '000)
1.	Bathopele Building	Cnr Loveday and Market Streets, Johannesburg	Office	11 500	101.9	153 000
2.	Spectrum	Cnr Voortrekker and Blanckenberg Streets, Bellville	Office	7 550	93.3	100 000

	Property Name	Physical Address	Property description and use	Building rentable area (GLA)	Weighted Average Rental Per m ² (R)	Valuation as at 29 February 2016 (R '000)
3.	Schreiner Chambers	94 Pritchard Street, Johannesburg	Office	18 815	80.0	180 000
4.	Mishumo House	De Korte and De Beer Streets, Braamfontein	Office	6 154	90.0	77 000
5.	Sigma	7 Blanckenberg Road, Bellville, Cape Town	Office	3 751	137.1	56 000
6.	45 Castle Street	45 Castle Street, Cape Town	Office	9 537	120.2	141 000
7.	Bergstan House*	Cnr Castle and Loop Streets, Cape Town	Office	2 838	96.2	36 000
8.	Matrix House*	Cnr Strand and Bree Streets, Cape Town	Office	9 001	93.1	71 000
9.	Nedbank Centre*	Cnr Strand and Loop Streets, Cape Town	Office	5 905	76.9	53 500
10.	NBC	76 Juta Street, Braamfontein	Office	10 000	64.9	152 000
11.	PROROM	Cnr Brown and Paul Kruger Streets, Nelspruit Mpumalanga	Office	6 431	108.7	80 000
12.	VWL	Corner Vermeulen & Paul Kruger Streets, Nelspruit	Office/Retail	17 989	83.7	180 000
13.	14 Long Street	14 Long Street, Cape Town	Office	9 975	90.9	120 000
14.	373 Pretorius Street	373 Pretorius Street, Pretoria, Gauteng	Office	13 340	125.9	236 000
15.	Meyersdal	65 Phillip Engelbrecht Street, Meyersdal	Office	4 957	85.0	46 000
16.	Infinity Office Park, Meyersdal	4 Robin Close Meyersdal Nature Estate, Meyersdal	Office	12 681	138.9	250 000
17.	238 Roan Crescent, Midrand	Corporate Landing, 238 Roan Crescent, Ranjiespark	Industrial	9 035	80.3	91 000
18.	Grand Central	Cnr Darling and Plein Streets, Cape Town	Office and retail	33 577	127.5	588 000
19.	Medscheme	37 Conrad Drive, Florida Noord, Roodepoort	Office	6 792	93.0	105 000
20.	Kingfisher Crescent, Meyersdal	King Fisher Crescent, Meyersdal	Office	1 405	121.0	25 700
21.	174 Visagie Street	174 Visagie Street, Pretoria	Office	13 537	119.7	222 000
22.	Island Centre	24 Cumberland Road, Paarden Eiland, Cape Town	Industrial	24 195	38.6	88 000
23.	Riverpark 1 and 2 and Riverview 1 and 2	Madiba Street, Nelspruit	Motor retail park and Office	8 519	134.5	133 000
24.	Atterbury House	2 Waterkant Street, Cape Town	Office	26 245	111.1	348 000
25.	Surrey House	Cnr Rissik and Fox Streets, Johannesburg	Office	11 840	118.4	217 000
26.	Game Building	Cnr Joubert and Pritchard Streets, Johannesburg	Office	21 438	98.3	250 000
27.	Swiss House	86 Main Street Marshalltown	Office	8 008	93.7	113 000

* Disposed of post 29 February 2016

Independent valuations were carried out on each of the properties as at 29 February 2016 by LDM Valuation Solutions (Pty) Ltd, a registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.

Rebosis currently owns 59.01% of the total number of issued shares in Ascension. The value of the net assets of Ascension as at 29 February 2016 is R2 624 million. The value of the net assets being acquired by Rebosis is R1 076 million and the profits attributable to net assets being acquired is R146 million, which is 40.99% of the estimated profits of Ascension for the year ended 31 August 2016.

16. Responsibility statements

The Ascension independent board accepts responsibility for the information contained in this announcement insofar as it relates to Ascension. To the best of its knowledge and belief, the information contained in this announcement is true and this announcement does not omit anything likely to affect the import of the information.

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27 October 2016

JAVACAPITAL

Legal advisor to Ascension and Rebasis

