

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



DISPOSAL OF PROPERTY LETTING ENTERPRISES

Introduction

Shareholders are advised that Rebosis has concluded an agreement for the disposal of the property letting enterprises in respect of the 3 properties known as 28 Harrison Street, 124 Main Street and 64 Eloff Street (the "**properties**") to Southern Palace Group of Companies Proprietary Limited ("**Southern Palace**") for an aggregate consideration of R847 498 292 (exclusive of VAT at zero percent) (the "**disposal**").

The disposal forms part of Rebosis' stated intention to dispose of non-core assets outside of the retail sector. In addition to the disposal, Rebosis has entered into a sale agreement in respect of a disposal of another non-core asset to the value of R150 million to another vendor, bringing the total value of non-core assets disposed of to c.R1 billion to date. The disposal will enable Rebosis to reduce its total debt and therefore the loan to value ratio.

Terms of the disposal

Southern Palace will acquire the property letting enterprises, which include the properties, with effect from the date of registration of transfer of these properties into Southern Palace's name (the "**transfer date**"). The sale consideration for the property letting enterprises will be payable in cash on the transfer date.

If the properties are not transferred into Southern Palace's name by 1 November 2016, the total purchase price will escalate at one twelfth of eight percent per month until the properties are transferred into Southern Palace's name.

The disposal remains conditional upon:

- Southern Palace:
 - obtaining debt finance for 100% of the sale consideration payable;
 - providing Rebosis with guarantees in respect of payment of the sale consideration;
 - being satisfied with the outcome of its due diligence investigation in respect of the properties;
 - obtaining approval from the Competition Authorities for the disposal; and
- the directors of Southern Palace approving the disposal.

Rebosis will provide all asset and property management services to Southern Palace in respect of the properties for 3 years.

The disposal includes warranties, undertakings and indemnities which are normal for a disposal of this nature.

Property specific information

The property specific information required in terms of the JSE Listings Requirements in relation to the properties is set out below.

Property name and address	28 Harrison Street, Johannesburg
Sector	Office
Geographical location	Gauteng
Rentable Area (m²)	20 984
Weighted Average rental per m²	R98.11
Value attributed to the property	R262 000 000
Net operating income (1 October 2016 to 30 September 2017)	R27 703 347

Property name and address	124 Main Street, situate at 147 Marshall Street, Marshals Town, Johannesburg
Sector	Office
Geographical location	Gauteng
Rentable Area (m²)	20 818
Weighted Average rental per m²	R115.20
Value attributed to the property	R504 000 000
Net operating income (1 October 2016 to 30 September 2017)	R52 327 180

Property name and address	64 Eloff Street, situate at 119 Commissioner Street, Johannesburg
Sector	Office
Geographical location	Gauteng
Rentable Area (m²)	4 938
Weighted Average rental per m²	R113.49
Value attributed to the property	R83 000 000
Net operating income (1 October 2016 to 30 September 2017)	R8 576 719

No independent valuation has been carried out and the board of directors of Rebasis is of the view that the value attributed to the properties above represents the value of the properties disposed of.

The value of the net assets being disposed of attributed to the properties is R849 million.

Categorisation of the disposal

The disposal is classified as a Category 2 transaction in terms of the JSE Listings Requirements. It is not subject to approval by Rebasis shareholders.

26 August 2016

Corporate advisor and sponsor

JAVACAPITAL