

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used on this cover page.

Action required

If you have disposed of all of your Rebosis shares, this circular, together with the attached notice of general meeting and form of proxy, should be handed to the purchaser of such shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker but who have not elected own-name registration who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their agreement with their CSDP or broker.

Shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the transaction and ancillary matters set out in this circular. If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Rebosis does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised shares to notify such shareholder of the action required of them in respect of the transaction and ancillary matters set out in this circular.

REBOSIS

PROPERTY FUND

Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share code: REA ISIN code: ZAE000240552

JSE share code: REB ISIN code: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

CIRCULAR TO REBOSIS SHAREHOLDERS

relating to:

- **the proposed transaction involving the disposal by Rebosis, as an indivisible transaction, of the rental enterprise comprising three shopping centres known as Mdantsane City Shopping Centre, Bloed Street Mall and Sunnypark Shopping Centre, which transaction constitutes a category 1 transaction for Rebosis in terms of the JSE Listings Requirements, in consideration for cash,**

and enclosing:

- **a notice of general meeting of Rebosis shareholders; and**
- **a form of proxy to attend and vote at the general meeting of Rebosis shareholders, for use only by certificated shareholders and dematerialised shareholders who have elected own-name registration.**

Corporate advisor and transaction sponsor

JAVACAPITAL

Independent reporting accountants

BDO

Legal and competition law advisors

CDH
CLIFFE DEKKER HOFMEYR

Independent property valuer

MillsFitchet
Magnus Penny
We Value Our Land

Date of issue: Thursday, 27 June 2019

This circular is available in English only. Copies of this circular may be obtained from the registered office of the company between 09:00 and 16:30 on business days from Thursday, 27 June 2019 to Thursday, 25 July 2019, both days inclusive. The circular will also be available on Rebosis' website http://www.rebosis.co.za/wp-admin/uploads/2019/06/Category_1_disposal_circular_Rebosis_and_Vukile_June_2019.pdf from Thursday, 27 June 2019.

CORPORATE INFORMATION

Registered office of Rebosis

Rebosis Property Fund Limited

(Registration number 2010/003468/06)
2nd Floor, Roland Garros Building, The Campus
Cnr Main & Sloane Street
Bryanston, 2191
(Postnet Suite no. 158: Private Bag X21, Bryanston, 2021)

Legal advisor

Cliffe Dekker Hofmeyr Inc.

(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Independent property valuer

Mills Fitchet Magnus Penny

(Registration number CK2000/020267/23)
Suite SG110, Ground Floor,
Great Westerford, 240 Main Road
Rondebosch, 7725
(PO Box 4442, Cape Town, 8000)

Transfer secretaries

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Date and place of incorporation of Rebosis

Incorporated on 22 February 2010 in the Republic of South Africa

Company secretary

Mande Ndema (B.Soc.Sci), (LLB) PMB (GIBS)

Mdyesha Ndema Attorneys Incorporated

(Registration number 2017/050872/21)
Spaces, Design Quarter
Leslie Avenue, Fourways
Johannesburg, 2191
(Postnet Suite 1, Private Bag X75, Bryanston, 2191)

Competition law advisors

Cliffe Dekker Hofmeyr Inc.

1 Protea Place
Sandown
Sandton, 2196
(Private Bag X40 Benmore 2010)

Transaction sponsor

Java Capital Trustees and Sponsors Proprietary Limited

(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Independent reporting accountants

BDO South Africa Incorporated

Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg
2196
(Private Bag X10046, Sandton, 2146)

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ACTION REQUIRED BY REBOSIS SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in this section.

THE GENERAL MEETING

A general meeting of Rebois shareholders will be held at 10:00 on Thursday, 25 July 2019, at the company's registered office (2nd Floor, Roland Garros Building, The Campus, Cnr Main & Sloane Street, Bryanston, 2191), for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by shareholders in order to authorise and implement the transaction. The notice of general meeting is attached to and forms part of this circular.

Certificated shareholders and own-name dematerialised shareholders who are unable to attend the general meeting but who wish to be represented thereat are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy are requested to be received by the transfer secretaries by no later than 10:00 on Tuesday, 23 July 2019. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement thereof.

Dematerialised shareholders who have not elected own-name registration and who wish to attend the general meeting must instruct their CSDP or broker timeously in order that such CSDP or broker issues them with the necessary letter of representation.

Dematerialised shareholders who have not elected own-name registration and who do not wish to attend the general meeting but wish to vote thereat, must provide their CSDP or broker with their instruction for voting at the general meeting in the manner stipulated in the agreement governing the relationship between such shareholders and his/her CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. Such shareholders should **not** complete the form of proxy.

Rebois does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

ELECTRONIC PARTICIPATION

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call, you, or your proxy, should advise the company as such by no later than 10:00 on Tuesday, 23 July 2019, by submitting by e-mail to the company secretary at mande@mnaattorneys.co.za relevant contact details, including an e-mail address, cellular number and landline as well as full details of your title to Rebois shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) or written confirmation from your CSDP confirming your title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, you will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders should note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium. Accordingly, shareholders making use of the electronic participation facility are requested to either complete the form of proxy (in the case of certificated shareholders and dematerialised shareholders who have elected own-name registration) or contact their CSDP or broker (in the case of dematerialised shareholders who have not elected own-name registration), in both instances, as set out above.

VOTING PROCEDURE AND QUORUM FOR THE GENERAL MEETING

The quorum requirement for the general meeting to begin or for a matter to be considered at the general meeting is at least three shareholders present in person. In addition:

- the general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the general meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in this section.

2019

Record date to receive the circular and notice of general meeting	Friday, 21 June
Circular and notice of general meeting issued	Thursday, 27 June
Announcement relating to the issue of the circular and notice of general meeting released on SENS	Thursday, 27 June
Announcement relating to the issue of the circular and notice of general meeting published in the press	Friday, 28 June
Last day to trade in order to be eligible to participate in and vote at the general meeting	Tuesday, 16 July
Voting record date	Friday, 19 July
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by 10:00 (forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement thereof)	Tuesday, 23 July
General meeting held at 10:00	Thursday, 25 July
Results of the general meeting released on SENS	Thursday, 25 July
Results of the general meeting published in the press	Friday, 26 July

Notes:

1. All dates and times in this circular are local dates and times in South Africa and are subject to change. Any changes will be released on SENS.
2. **Rebosis shareholders are referred to page 3 of this circular for information on the action required to be taken by them.**
3. Shares may not be dematerialised or rematerialised between Wednesday, 17 July 2019 and Friday, 19 July 2019, both days inclusive.

DEFINITIONS AND INTERPRETATION

In this circular and the annexures hereto, unless the context indicates otherwise, references to the singular include the plural and vice versa, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and vice versa, and the words in the first column have the meanings stated opposite them in the second column:

“agreement”	the sale of rental enterprise agreement entered into between Rebosis and Vukile on the signature date, which sets out the terms and conditions of the transaction, the salient terms of which are set out in paragraph 3 of the circular;
“agterskot payment”	the additional amount, if any, which may be payable in terms of paragraph 3.3, in respect to the letting of Sunnypark vacancy;
“anticipated transfer date”	31 August 2019;
“Bloed Street Mall”	Bloed Street Mall Shopping Centre, further details of which are set out in paragraph 8.2.2;
“Bloed Street Mall notarial leases”	Notarial Deed of Lease Agreement K6168/2007L with Notarial Deed of Cession of Lease K6180/2007L and Notarial Deed of Cession of Lease K5919/2011L in respect of Bloed Street Mall;
“board” or “board of directors” or “directors”	the board of directors of Rebosis;
“business day”	any day other than a Saturday, Sunday or an official public holiday in South Africa;
“carve-out historical financial information”	historical statement of net assets as at 28 February 2019, 31 August 2018, 31 August 2017 and 31 August 2016, and the historical statement of direct income and expenses for the six months ended 28 February 2019 and the years ended 31 August 2018, 31 August 2017 and 31 August 2016, and notes to the historical statements of direct income and expenses and net asset position of the shopping centres, including a summary of significant accounting policies;
“category 1 disposal”	a disposal in respect of which the consideration receivable constitutes 30% or more of the market capitalisation of a company listed on the JSE, as defined in terms of the JSE Listings Requirements;
“certificated shareholders”	shareholders who hold certificated shares;
“certificated shares”	shares which have not been dematerialised into the Strate system, title to which is represented by physical documents of title;
“circular”	this circular dated Thursday, 27 June 2019, including all annexures, notice of general meeting and form of proxy attached hereto;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended from time to time;
“company secretary”	Mande Ndema acting on behalf of Mdyesha Ndema Attorneys Incorporated (Registration number 2017/050872/21), a private company incorporated and registered in accordance with the laws of South Africa, which has been appointed by the company to provide company secretarial services to the group, full details of which are set out in the “Corporate Information” section;
“Competition Authorities”	the Competition Commission, the Competition Tribunal or the Competition Appeal Court, whichever has jurisdiction for the purposes of the transaction, as established by the Competition Act, No. 89 of 1998;
“conditions precedent”	the conditions precedent contained in the agreement and as summarised in paragraph 3.5 of this circular;
“CSDP”	a Central Securities Depository Participant in South Africa, appointed to hold and administer dematerialised shares;

“dematerialised shareholder”	shareholders who hold dematerialised shares;
“dematerialised shares”	shares which have been incorporated into the Strate system, title to which is not represented by physical documents of title;
“disposal consideration”	an amount determined by applying a yield of 9.00% to the forecast NOI plus (i) any agterskot payments and (ii) any payment in respect of the Mdantsane bulk;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to shares acceptable to the board;
“financial year”	the financial year of the company and for the time being ending on 31 August of each year;
“forecast NOI”	the forecast net property income in relation to the rental enterprise for the 12-month period commencing on the anticipated transfer date;
“general meeting”	the general meeting of Rebosis shareholders to be held at 10:00 on Thursday, 25 July 2019 at 2nd Floor, Roland Garros Building, The Campus, Cnr Main & Sloane Street, Bryanston, 2191, convened for the purpose of considering, and if deemed fit passing, with or without modification, the resolutions set out in the notice of general meeting which is attached to and forms part of this circular;
“GLA”	gross lettable area, being the total area of a property that can be rented to a tenant, measured in m ² ;
“group” or “Rebosis group”	the company and its subsidiaries;
“IFRS”	International Financial Reporting Standards;
“independent property valuer” or “Mills Fitchet”	Mills Fitchet Magnus Penny (t/a Magnus Penny Associates c.c) (Registration number CK2000/020267/23), a private company incorporated and registered in accordance with the laws of South Africa, which has been appointed by the company to prepare an independent property valuation in terms of section 13.20(c) of the JSE Listings Requirements in respect of each of the shopping centres, full details of which are set out in the “Corporate Information” section;
“independent reporting accountants” or “BDO”	BDO South Africa Incorporated, (Registration number 1995/002310/21), full details of which are set out in the “Corporate Information” section;
“Java Capital” or “transaction sponsor”	Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), in its capacity as transaction sponsor to the company, a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“JSE”	the exchange operated by the JSE Limited (Registration number 2005/022939/06), a public company incorporated and registered in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act, No. 19 of 2012, as amended from time to time;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“last practicable date”	Thursday, 13 June 2019, being the last practicable date prior to the finalisation of the circular;
“legal and competition law advisors” or “CDH”	Cliffe Dekker Hofmeyr Incorporated, (Registration number 2008/018923/21), full details of which are set out in the “Corporate Information” section;
“LTV”	loan to value ratio calculated as interest-bearing debt net of cash divided by the fair value of all property assets owned by Rebosis;
“m²”	square metres;
“major subsidiaries”	a major subsidiary as defined in the JSE Listings Requirements, namely a subsidiary that represents 25% or more of total assets or revenue of the consolidated group based on the latest published interim or year-end financial results;
“Mdantsane City”	Mdantsane City Shopping Centre, further details of which are set out in paragraph 8.2.1;

“Mdantsane bulk”	the undeveloped bulk comprising 15 000m ² at Mdantsane City;
“MOI”	the memorandum of incorporation of the company;
“NWS”	Norval Wenzel Steinberg, a quantity surveyor, appointed to undertake a comprehensive development feasibility in respect of the Mdantsane bulk;
“own-name dematerialised shareholders”	dematerialised shareholders who have elected own-name registration;
“press”	the Business Day newspaper;
“Rand” or “R”	South African Rand;
“Rebosis” or “the company”	Rebosis Property Fund Limited (Registration number 2010/003468/06), a public company incorporated and registered in accordance with the laws of South Africa and listed on the JSE;
“Rebosis A shareholders”	registered holders of Rebosis A shares;
“Rebosis A shares”	ordinary A shares of no par value in the company;
“Rebosis ordinary shareholders”	registered holders of Rebosis ordinary shares;
“Rebosis ordinary shares”	ordinary shares of no par value in the company;
“Rebosis shares” or “shares”	collectively, Rebosis A shares and Rebosis ordinary shares;
“Rebosis shareholders” or “shareholders”	the registered holders of Rebosis shares;
“register”	the share register of the company;
“REIT”	Real Estate Investment Trust;
“rental enterprise”	the immovable properties comprising the shopping centres, land and buildings together with all movable assets, fixed assets, assets installed therein used in connection with the operations including the rights and obligations in terms of the Bloed Street Mall notarial leases and Rebosis’ rights and obligations in terms of all lease agreements and other contracts used in the operation of the rental enterprise;
“SENS”	the Stock Exchange News Service operated by the JSE;
“shopping centres” or “disposal portfolio”	Mdantsane City, Bloed Street Mall and Sunnypark, being the properties in respect of which the company has concluded the agreement and which properties are to be disposed of to Vukile by Rebosis pursuant to the implementation of the transaction;
“signature date”	the date of signature of the agreement, being 12 May 2019;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated and registered in accordance with the laws of South Africa, a registered central securities depository responsible for the electronic settlement system used by the JSE;
“Sunnypark”	Sunnypark Shopping Centre, further details of which are set out in paragraph 8.2.3;
“Sunnypark vacancy”	the vacant accommodation comprising 2 300m ² situated in the office and retail components of Sunnypark;
“transaction”	the disposal by Rebosis, as an indivisible transaction and subject to the fulfilment of the conditions precedent, of the rental enterprise, including the shopping centres to Vukile in terms of the agreement;
“transfer date”	the date of registration of transfer of ownership of the relevant immovable properties and the assignment of the Bloed Street Mall notarial leases into Vukile’s name, which is anticipated to be on 31 August 2019;

“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited, (Registration number 2004/003647/07), a private company incorporated and registered in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;
“VAT”	value added tax as defined in the Value Added Tax Act, No. 89 of 1991 as amended from time to time;
“voting record date”	the date on which Rebasis shareholders must be recorded in the register in order to participate in and vote at the general meeting, being Friday, 19 July 2019;
“Vukile”	Vukile Property Fund Limited (Registration number 2002/027194/06), a public company incorporated and registered in accordance with the laws of South Africa listed on the JSE;
“Vukile shareholders”	the registered holders of Vukile shares;
“Vukile shares”	ordinary shares of no par value in Vukile;
“VWAP”	volume weighted average price; and
“yield”	the distribution available to a holder of a share in any financial year divided by the market price of that share.

REBOSIS

PROPERTY FUND

Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share code: REA ISIN code: ZAE000240552

JSE share code: REB ISIN code: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

Directors

Anna Mokgokong (*Independent non-executive chairperson*)

Sisa Ngebulana (*Chief executive officer*)

Isabeau King (*Chief financial officer*)

Rob Becker (*Chief investment officer*)

Zandile Kogo (*Executive director*)

Maurice Mdlolo (*Independent non-executive director*)

Francois Froneman (*Independent non-executive director*)

Jaco Odendaal (*Independent non-executive director*)

Thabo Seopa (*Independent non-executive director*)

Nomfundo Qangule (*Independent non-executive director*)

CIRCULAR TO REBOSIS SHAREHOLDERS

PART I: THE TRANSACTION

1. INTRODUCTION

- 1.1 Rebosis is a listed property REIT which owns a high quality diversified portfolio across retail and office assets. The company's property portfolio comprises 6 regionally dominant shopping centres with strong national tenant profiles and 36 office properties, which are leased to national government departments. The properties are located in Gauteng, the Western and Eastern Cape, KwaZulu-Natal, Northwest Province and Mpumalanga.
- 1.2 As announced on SENS on Monday, 13 May 2019, Rebosis has entered into a sale of rental enterprise agreement with Vukile to dispose of three retail properties comprising Mdantsane City, Sunnypark and Bloed Street Mall together with the rental enterprises conducted thereon by Rebosis for an aggregate cash consideration anticipated to be R1 777 777 778.
- 1.3 The transaction constitutes a category 1 disposal in terms of section 9.5(b) and 9.20(a) of the JSE Listings Requirements, requiring the approval of Rebosis shareholders by way of an ordinary resolution.
- 1.4 The purpose of this circular is to:
 - 1.4.1 provide Rebosis shareholders with information relating to the transaction and the manner in which it will be implemented, so as to enable shareholders to make an informed decision as to whether or not they should vote in favour thereof; and
 - 1.4.2 give notice convening the general meeting at which the resolutions necessary to approve and implement the transaction, as more fully detailed in this circular, will be considered and, if deemed fit, approved with or without modification by Rebosis shareholders. The notice convening the general meeting is attached to and forms part of this circular.

2. RATIONALE FOR THE TRANSACTION

- 2.1 The proceeds of the transaction will be used to reduce the existing debt of the company.
- 2.2 The transaction is in line with the company's intention to reduce its LTV ratio as outlined in the road-map included in the results announcement released by the company on SENS on 12 November 2018 and the pre-close presentation presented to Rebois shareholders on 27 February 2019.
- 2.3 The company has experienced delays in the planned disposals of its office portfolio, as funding the acquisition of office properties rely on tenants' long term leases which have been taking longer than anticipated to renew. The company is of the view that it is important to expedite the reduction of its LTV ratio in order to achieve a lower cost of funding, an improved credit rating and a stronger balance sheet, all of which are expected to return market confidence in Rebois.

3. TERMS OF THE TRANSACTION

3.1 Effective date

The transaction will become effective on the date of registration of transfer of ownership of the rental enterprise into the name of Vukile which is anticipated to be 31 August 2019.

3.2 Disposal consideration

3.2.1 The amount payable for the rental enterprise including the shopping centres shall be the disposal consideration which includes additional amounts which may be payable in respect of the agterskot and the Mdantsane bulk. The disposal consideration shall be payable by Vukile in cash on the transfer date. If the transfer of the properties takes place after the anticipated transfer date, the consideration (excluding any agterskot payments and any payment in respect of the Mdantsane bulk) will escalate by 6% per annum, calculated and expressed as an effective daily rate, from 31 August 2019 until the transfer date.

3.2.2 The disposal consideration is calculated on the basis of a forecast NOI in relation to the rental enterprise for the 12 month period commencing on the anticipated transfer date, which excludes the Sunnypark vacancy.

3.2.3 If during the due diligence investigation to be carried out by Vukile, it is established that the forecast NOI is less than R160 million but equal to or more than R155 million (as determined by way of agreement between Vukile and Rebois or, failing agreement, as determined by an independent expert), the purchase price payable by Vukile shall be determined by applying a forward yield of 9% to the forecast NOI as agreed or as so independently determined. However, if the agreed or determined forecast NOI is greater than R160 million, the disposal consideration shall remain unchanged. If it is established that the NOI is less than R155 million, Vukile may elect to either purchase the rental enterprise for a consideration of R1 722 222 222, or not to proceed with the transaction.

3.3 Agterskot

An additional amount may be payable by Vukile in respect to the letting of the Sunnypark vacancy, which amount shall not exceed R55 555 555. Rebois shall be entitled, but not obliged, to procure a tenant/s for the Sunnypark vacancy, for a period terminating 12 months after the transfer date, subject to Vukile approving the tenant/s and the provisions of the respective lease/s. The agterskot payment shall be determined by applying a forward yield of 9% to the NOI of the first year of the relevant lease/s. If post the transfer date and prior to the first anniversary of the transfer date Vukile leases out all or portion of the Sunnypark vacancy, Vukile will pay to Rebois 35% of the relevant agterskot payment.

3.4 Mdantsane bulk

If Vukile, within 24 months of the transfer date, commences construction with an extension in respect of the undeveloped bulk at Mdantsane, then subject to the development delivering at least a 10.5% development yield in the first year to Vukile, Vukile will pay to Rebois an amount attributable to the Mdantsane bulk used in the extension. Such amount is to be determined by NWS from a development feasibility to be prepared by NWS. If the development yield is determined by NWS as being lower than 10.5% in the first year, then the cost attributable to the undeveloped bulk to be used in the extension will be reduced by such an amount in order for Vukile to achieve a development yield of 10.5%. The payment of any amount payable in terms of this paragraph shall be paid to Rebois, within 30 days of the practical completion of the development.

3.5 **Conditions precedent**

The transaction is subject to the fulfilment or waiver, as the case may be, of the conditions precedent as contained in the agreement and as summarised below, the last of which is required to be fulfilled by not later than 150 days of the signature date:

- 3.5.1 Vukile confirms in writing to Rebosis that it is satisfied with the outcome of the due diligence investigation to be carried out by Vukile, in its sole and absolute discretion;
- 3.5.2 Rebosis securing any necessary consents, approvals and/or waivers of any third party pre-emptive rights in order for Rebosis to effect transfer of the properties and/or the assignment of the Bloed Street Mall notarial leases to Vukile;
- 3.5.3 the shareholders of Rebosis have passed such resolutions as may be required in terms of the JSE Listings Requirements in respect of a Category 1 transaction, and, if applicable, the Companies Act;
- 3.5.4 Vukile secures approval from its shareholders for the transaction and for Vukile to undertake a vendor consideration placement of Vukile shares to fund at least 75% of the disposal consideration;
- 3.5.5 the transaction is approved by the Competition Authorities, either unconditionally or conditional on terms acceptable to the parties; and
- 3.5.6 Vukile successfully concludes the vendor consideration placement at a price and on terms acceptable to Vukile.

3.6 **Other salient terms**

- 3.6.1 The agreement provides for undertakings, warranties and indemnities which are normal for transactions of this nature.
- 3.6.2 Employees of Rebosis directly involved in the management and operation of the shopping centres will transfer together with the rental enterprise.
- 3.6.3 The transaction was not directly or indirectly introduced by or concluded through the agency of any third party and no finder's fee, brokerage, commission or similar compensation is payable in respect of transaction or any part thereof.

4. **APPROVALS REQUIRED**

The following resolutions will be put to shareholders at the general meeting in order to approve the transaction:

- 4.1 an ordinary resolution of shareholders to approve the transaction in terms of sections 9.20 of the JSE Listings Requirements; and
- 4.2 an ordinary resolution authorising the directors or the company secretary to do all such things and sign all such documents as may be necessary to implement the resolution above.

5. **PROSPECTS**

- 5.1 While trading conditions will remain challenging for the remainder of this year, Rebosis will focus on renewing the expiring office leases thereby improving the company's lease expiry profile. Filling up the remaining vacancies in retail will continue to be an area of importance to the company.
- 5.2 The main priority for the next twelve months will be on the successful completion of the announced disposals and the disposal of the second tranche of the retail portfolio ("**asset disposal programme**"). This in turn will also serve to reduce the LTV to below 40%. The company has incurred high levels of financing costs as a result of the high debt levels which is expected to reduce significantly following the reduction in the expected LTV level.
- 5.3 Post the various disposal transactions, the company will have a strong office portfolio with long term leases and a robust cash flow. Rebosis will ultimately be a diversified fund comprising 30% retail and 70% sovereign office assets.

6. OPINION AND RECOMMENDATION

- 6.1 It is critical that Rebosis deleverages its balance sheet to return to normalised profits and to unlock value for shareholders. This transaction presents a unique opportunity towards achieving this objective.
- 6.2 The board is of the opinion that the transaction is in line with the strategic priority of reducing group leverage to below 40% and recommends that Rebosis shareholders vote in favour of the resolutions necessary to implement the transaction.
- 6.3 Those directors that hold a beneficial interest in Rebosis ordinary shares, intend voting their Rebosis ordinary shares in favour of the resolutions necessary to implement the transaction.

7. THE GENERAL MEETING

- 7.1 A general meeting of Rebosis shareholders will be held at 10:00 on Thursday, 25 July 2019, at the company's registered office (2nd Floor, Roland Garros Building, The Campus, Cnr Main & Sloane Street, Bryanston, 2191), for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to be approved by shareholders in order to authorise and implement the transaction. The notice of general meeting is attached to and forms part of this circular.
- 7.2 Details of the action required by Rebosis shareholders are set out on page 3 of this circular.

PART II: PROPERTY PORTFOLIO INFORMATION OF THE SHOPPING CENTRES

8. THE DISPOSAL PORTFOLIO

8.1 Overview of the disposal portfolio

The disposal portfolio comprises 3 shopping centres valued in aggregate at R1.77 billion as at 1 September 2019. A detailed list of the individual properties comprising the disposal portfolio is set out in **Annexure 1** of the circular.

8.2 Description of the shopping centres

8.2.1 *Mdantsane City*

Mdantsane City is a shopping centre that is located in one of the largest townships in South Africa. It is an established and very well supported shopping centre in the node and is situated on the main arterial route through Mdantsane. Mdantsane City has over 90 shops, with Shoprite, Pick n Pay and Cashbuild as anchor tenants. It has a high national tenant component and includes other national retailers such as Truworths, Woolworths, Foschini, Mr Price and Markham.

8.2.2 *Bloed Street Mall*

Bloed Street Mall is situated in central Pretoria. Its location makes it easily accessible to commuters. The taxi rank located in the basement beneath the mall is the largest and busiest taxi interchange in the greater Tshwane region. Established almost two decades ago it continues to provide an exceptional and convenient shopping experience for local shoppers and commuters. Bloed Street Mall is anchored by Game, Superspar, Usave and also has an excellent mix of national fashion retailers.

8.2.3 *Sunnypark*

Sunnypark is situated in Pretoria and provides shoppers with a contemporary shopping experience. The mall is anchored by Woolworths, Checkers, Mr Price, Truworths and Foschini. The food court comprises some of the best-loved South African food brands such as Nandos, Wimpy, Debonairs, Steers, Fishaways, Ocean Basket, and Chicken Licken. The shopping centre has a Virgin Active gym. Sunnypark is well positioned and easy to access. It is situated close to local and national government buildings, embassies and tourist attractions. The mall is well supported by a loyal and established customer base.

8.3 Analysis of the disposal portfolio

An analysis of the disposal portfolio, as at 28 February 2019 is set out below. Unless otherwise stated, analysis based on GLA is at 28 February 2019, while analysis based on rental revenue comprises rental revenue excluding the straight-line rental adjustment for the six month period ending 28 February 2019.

8.3.1 *Geographic profile*

	Based on GLA %	Based on rental revenue %
Eastern Cape	38.7	32.0
Gauteng	61.3	68.0
Total	100.0	100.0

8.3.2 *Sectoral profile*

	Based on GLA %	Based on rental revenue %
Retail	97.2	98.6
Office	2.8	1.4
Total	100.0	100.0

8.3.3 *Tenant profile*

	Based on GLA %	Based on rental revenue %
A	81.2	73.9
B	6.9	11.1
C	11.9	15.0
Total	100.0	100.0

For the table above, the following key is applicable:

- A. Large national tenants, large listed tenants, government and major franchisees, such as Shoprite, Pepkor, Woolworths, Massmart, Foschini, Truworths and Mr Price.
- B. National tenants, listed tenants, franchisees, medium to large professional firms, such as Spur, Wimpy, Debonairs, Chicken Licken, Ocean Basket, Nandos and KFC.
- C. Other tenants (comprising 69 tenants).

8.3.4 *Vacancy profile*

	Based on GLA %
Retail	2.7
Office	35.2
Total	3.6

8.3.5 *Lease expiry profile based on existing leases*

8.3.5.1 *Total disposal portfolio*

	Based on GLA %	Based on rental revenue %
Vacant	3.6	-
February 2019	13.0	16.2
February 2020	8.0	11.8
February 2021	10.4	13.6
February 2022	10.7	13.4
February 2023 and beyond	54.3	45.0
Total	100.0	100.0

8.3.5.2 *Retail*

	Based on GLA %	Based on rental revenue %
Vacant	2.7	-
February 2019	13.2	16.4
February 2020	7.0	10.5
February 2021	10.7	14.0
February 2022	10.9	13.5
February 2023 and beyond	55.5	45.6
Total	100.0	100.0

8.3.5.3 *Office*

	Based on GLA %	Based on rental revenue %
Vacant	35.2	–
February 2019	6.5	10.0
February 2020	41.8	64.8
February 2021	–	–
February 2022	5.4	9.8
February 2023 and beyond	11.1	15.4
Total	100.0	100.0

8.3.6 *Monthly weighted average rental per square metre by rentable area per sector**

	Weighted average rental per m ²
Retail	R142.6
Office	R112.8
Total	R142.0

* For the six month period ending 28 February 2019

8.3.7 *Weighted average rental escalation profile**

	%
Retail	7.0
Office	7.8
Total	7.0

* Based on existing leases as at 28 February 2019

8.3.8 The average annualised property yield for the disposal portfolio, calculated as historic net property income for the disposal portfolio for the six months ending 28 February 2019, divided by the disposal consideration of the disposal portfolio as set out in **Annexure 2** of the circular, is 8.1%.

9. VALUATION REPORTS

- 9.1 The properties comprising the disposal portfolio were valued by Mike Gibbons of Mills Fitchet, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No 47 of 2000.
- 9.2 Detailed valuation reports have been prepared in respect of each of the shopping centres and are available for inspection as further detailed in paragraph 25 of the circular. A summary of each of the detailed valuation reports have been included in **Annexure 2** of the circular.

PART III: FINANCIAL INFORMATION

10. CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

- 10.1 The consolidated *pro forma* statement of financial position of Rebosis and the consolidated *pro forma* statement of comprehensive income of Rebosis, showing the *pro forma* effects of the transaction (the “**consolidated *pro forma* financial information**”) is based on Rebosis’ unaudited consolidated interim results for the six months ended 28 February 2019 and is set out in **Annexure 3** of the circular.
- 10.2 The consolidated *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the transaction may have affected the financial position of the group, assuming the transaction had been implemented on 28 February 2019 for statement of financial position purposes and implemented on 1 September 2018 for statement of comprehensive income purposes. Due to its nature, the consolidated *pro forma* financial information may not fairly represent Rebosis’ financial position, comprehensive income, changes in equity or cash flows after the transaction.
- 10.3 The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the board of directors. The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited condensed consolidated interim results of Rebosis for the six months ended 28 February 2019. The *pro forma* financial information is presented in accordance with the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants.
- 10.4 The consolidated *pro forma* financial information should be read in conjunction with the independent reporting accountant’s assurance report thereon, as contained in **Annexure 4** of the circular.

11. HISTORICAL FINANCIAL INFORMATION

- 11.1 The carve-out historical financial information of the disposal portfolio, which were extracted from the audited financial statements of Rebosis for the years ended 31 August 2018, 31 August 2017 and 31 August 2016 and from the unaudited interim financial statements of Rebosis for the six month period ended 28 February 2019, have been set out in **Annexure 5** of the circular.
- 11.2 The carve-out historical financial information is the responsibility of the board of directors.
- 11.3 The independent reporting accountant’s report on the carve-out historical financial information of the disposal portfolio is presented in **Annexure 6** of the circular.

12. MATERIAL BORROWINGS

Annexure 7 details the anticipated schedule of material borrowings of the group post implementation of the transaction.

PART IV: GENERAL

13. DIRECTORS' INTERESTS

13.1 Directors' interests in Reboxis ordinary shares

13.1.1 Set out below are the interests of directors in Reboxis ordinary shares as at 31 August 2018. This includes the interests of persons who are no longer directors, but resigned during the last 18 months. Direct and indirect beneficial interests are disclosed. In addition, interests of associates of directors, where the director has no beneficial interest, are separately disclosed (this relates principally to the holdings of spouse and minor children).

Director	Beneficial			Total	%
	Direct	Indirect	Associates		
S Ngebulana	–	40 470 122	–	40 470 122	5.79
R Becker	225 000	–	–	225 000	0.03
M de Lange*	29 662	–	–	29 662	0.00
Z Kogo	15 577	–	–	15 577	0.00
J Odendaal	–	5 637 168	–	5 637 168	0.81
Total	270 239	46 107 290	–	46 377 529	6.63

* Resigned with effect from 30 November 2018.

13.1.2 There were no changes to the interests of directors in Reboxis ordinary shares between the 31 August 2018 and the last practicable date.

13.1.3 The director's interests in Reboxis ordinary shares will not change as a consequence of the transaction.

13.2 Directors' interests in Reboxis A shares

None of the directors nor their associates (including persons who are no longer directors, but resigned during the last 18 months) had any direct and indirect beneficial interests in Reboxis A shares as at 31 August 2018.

13.3 Directors' interests in the transaction

None of the directors of the Reboxis group (including persons who are no longer directors, but resigned during the last 18 months) have any material beneficial interest, direct or indirect, in the transaction.

14. DIRECTORS' EMOLUMENTS

14.1 The directors' remuneration will not be varied as a consequence of the transaction.

14.2 Save for the service contracts and the agreement between Reboxis and the company secretary, the company has not entered into any contracts relating to directors' and managerial remuneration, secretarial or technical fees or restraint payments.

15. RELATIONSHIP INFORMATION

15.1 Other than the directors' interest Reboxis ordinary shares as set out in paragraph 13 above, none of the other directors have had any beneficial interests, direct or indirect, in relation to any property held or property to be acquired by the Reboxis group nor are they contracted to become a tenant of any part of the property of the Reboxis group.

15.2 Other than the directors' interest Reboxis ordinary shares as set out in paragraph 13 above, there is no relationship between any parties mentioned in paragraph 15.1 above and another person that may conflict with a duty to the group.

15.3 Other than the directors' interest Reboxis ordinary shares as set out in paragraph 13 above, the directors have not had a material beneficial interest in the acquisition or disposal of any properties of the group during the preceding two years.

16. MAJOR AND CONTROLLING SHAREHOLDERS

16.1 Rebosis ordinary shares

16.1.1 Set out below are the names of Rebosis ordinary shareholders, other than directors, that were, directly or indirectly, beneficially interested in 5% or more of the issued Rebosis ordinary shares as at 31 May 2019:

Rebosis ordinary shareholder	Number of Rebosis ordinary shares	%
Government Employees Pension Fund	144 972 875	20.73
Arrowhead Properties Limited	125 194 254	17.90
Nedbank Group	59 219 661	8.47
Coronation Fund Managers	41 324 922	5.91
Total	370 711 712	53.01

16.2 Rebosis A shares

16.2.1 Set out below are the names of Rebosis A shareholders, other than directors, that were, directly or indirectly, beneficially interested in 5% or more of the issued Rebosis A shares as at 31 May 2019:

Rebosis A shareholder	Number of Rebosis A shares	%
Coronation Fund Managers	18 662 053	29.50
Sanlam	7 421 154	11.73
Total	26 083 207	41.23

16.3 The group has never had a controlling shareholder during the five years preceding the last practicable date.

16.4 The transaction will not result in a change in the major shareholders of the company set out in paragraphs 16.1 and 16.2 above.

17. MATERIAL CONTRACTS

17.1 The salient features of the material contracts in respect of the disposal portfolio are set out in **Annexure 8** of the circular.

17.2 Save for the material contracts disclosed in **Annexure 8**, there are no other material contracts either verbally or in writing, being a contract entered into otherwise than in the ordinary course of business, within the two years prior to the last practicable date or at any time containing an obligation or settlement that is material to the disposal portfolio at the last practicable date.

18. STATEMENT AS TO WORKING CAPITAL

Having made due and careful enquiry as to the working capital requirements of the group for the twelve months following the date of issue of the circular, the board declares that in their opinion that:

18.1 the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of the approval of the circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited consolidated annual financial statements which comply with the Companies Act;

18.2 the share capital and reserves of the company and the group will be adequate for ordinary business purposes for a period of 12 months after the date of approval of the circular;

18.3 while the company and the group has the support of their funders it will be able in the ordinary course of business to pay their debts for a period of 12 months after the date of approval of the circular;

18.4 the proceeds of the transaction and further asset disposals will be utilised to redeem short-term debt facilities as agreed with the company's funders and therefore working capital available to the group post the implementation of the asset disposal programme, is sufficient for the group's present requirements, that is, for at least the next twelve months following the date on which the circular is to be issued; and

18.5 the company and its subsidiary/ies have passed the solvency test, and on the completion of the asset disposal programme, the liquidity test. Since the test was performed, there have been no material changes to the financial position of any company of the group.

19. MATERIAL CHANGES

19.1 The trading objects of the group are detailed throughout this circular. Other than the internalisation of the asset management and property management functions in 2016, there has been no change in the trading objects of the company and its major subsidiaries during the five years preceding the last practicable date. Following the implementation of the transaction, Rebosis will continue to operate its business as a JSE listed REIT and the trading objects of the group will not change.

19.2 There has been no material change in the financial or trading position of disposal portfolio that has occurred since the six months ended 28 February 2019, being the last financial period in respect of which Rebosis group has published its unaudited interim report.

20. LITIGATION

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened in respect of the disposal portfolio (together with the rental enterprises conducted thereon), of which the Rebosis group is aware, that may have or have had in the recent past, being the previous 12 months, a material effect on the group's financial position or the disposal portfolio (together with the rental enterprises conducted thereon).

21. RESPONSIBILITY STATEMENT

The directors, whose names are given on page 9 of this circular, collectively and individually accept full responsibility for the accuracy of the information contained in this circular and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made, and that the circular contains all information required by the JSE Listings Requirements.

22. CONSENTS

22.1 The transaction sponsor, legal and competition law advisors, independent reporting accountants, independent property valuer, company secretary, and the transfer secretaries have each consented in writing to act in the capacities stated and to their names appearing in this circular, which consent has not been withdrawn prior to the issue of this circular.

22.2 The independent reporting accountants and independent property valuer have each consented to the inclusion of their reports in the circular in the form and context in which they appear, which consent has not been withdrawn prior to the issue of this circular. The independent reporting accountants have confirmed that the contents of the circular are not contradictory to the information contained in their reports.

23. PRELIMINARY AND ISSUE EXPENSES

23.1 The estimated total amount of preliminary and issue expenses (excluding VAT) incurred by Rebosis in respect of the transaction within the three years preceding the last practicable, are set out below:

Fees	Recipient	Rand
JSE transaction sponsor fees	Java Capital	400 000
Legal advisory fees	CDH	150 000
Competition advisory fees	CDH	60 000
Competition Commission filing fee	Competition Authorities	275 000
Independent reporting accountant's fees	BDO	168 400
Independent property valuation fees	Mills Fitchet	150 000
JSE documentation fees	JSE	65 509
Printing costs	Ince	80 000
Contingency		120 091
Total		1 469 000

23.2 The costs of obtaining competition approval for the transaction will be borne equally between Rebosis and Vukile. The total fee payable is R670 000 which includes the fee payable to the Competition Authorities for the merger filing and the advisory fees.

24. CONFIRMATION OF INDEPENDENCE

24.1 Java Capital is acting in the capacity of transaction sponsor to Rebosis in respect of the transaction requiring the preparation of this category 1 circular in terms of sections 9 and 13 of JSE Listings Requirements.

24.2 Java Capital is also acting as corporate advisor and sponsor to Vukile in respect of the transaction. From a Vukile perspective, the transaction is classified as a category 2 transaction in terms of the JSE Listings Requirements and as such does not require Vukile shareholder approval. Vukile has however elected to make the transaction conditional on Vukile shareholders approving the transaction and Vukile shareholders providing the Vukile board of directors with the requisite authority to undertake the vendor consideration placement for the purposes of funding a portion of the disposal consideration. This requires the issue by Vukile of a notice of general meeting for the purposes convening the general meeting at which the resolutions necessary to approve and implement the transaction and the vendor consideration placement, will be put to Vukile shareholders for approval.

24.3 Java Capital confirms that acting as transaction sponsor to Rebosis and as corporate advisor and sponsor to Vukile does not affect Java Capital's independence as sponsor or transaction sponsor to either Vukile and Rebosis respectively. Java Capital does not have a vested interest in the successful implementation of the transaction other than the agreed fees charged for the preparation of the respective documentation and the transaction is subject to the approval of each of Vukile and Rebosis shareholders. This fee is not impacted by the success or otherwise of the transaction.

24.4 As required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances, including procedures to assess the independence of Java Capital in respect of the transaction as well the divisions of responsibility amongst the persons involved in fulfilling these various functions in respect of the transaction. Should it be determined that Java Capital is not independent an independent transaction sponsor will be appointed.

25. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of the company between 09:00 and 16:30 from Thursday, 27 June 2019 to Thursday, 25 July 2019, both days inclusive:

25.1 the circular;

25.2 the MOI of the company;

25.3 the memorandum of incorporation of each of the company's major subsidiaries;

25.4 the agreement;

25.5 the material contracts referenced in paragraph 17 of the circular;

25.6 the summary valuation report, prepared by the independent property valuer the extracts of which are set out in **Annexure 2** of the circular, together with the detailed valuation reports;

25.7 the written consents detailed in paragraph 22 of the circular;

25.8 the signed reports by the independent reporting accountant the extracts of which are set out in **Annexure 4** and **Annexure 6** of the circular;

25.9 the carve-out historical financial information as set out in **Annexure 5** of the circular; and

25.10 the audited financial statements of Rebosis for the years ended 31 August 2018, 31 August 2017 and 31 August 2016 and the unaudited interim financial statements for the six months ended 28 February 2019.

Signed on behalf of the board of directors

Isabeau King
Chief Financial Officer

Friday, 14 June 2019

DETAILS OF THE DISPOSAL PORTFOLIO

The table below sets out the details of the property name, the location, the sector, the occupied GLA, the weighted average rental and the valuation in respect of the disposal portfolio.

Property name	Location	Sector	Occupied GLA (m²)	Weighted average rental (R per/m²)⁵	Valuation (R)
1. Mdantsane City	Eastern Cape	Retail	34 935	117.26	531 100 000
2. Bloed Street Mall	Gauteng	Retail	26 400	159.25	617 000 000
3. Sunnypark	Gauteng	Retail Office	27 507 1 423	157.89	620 000 000
TOTAL			90 265		1 768 100 000

Notes:

1. The effective date of the disposal of the properties is 1 September 2019.
2. Figures reflect 100% ownership of shopping centres.
3. The disposal consideration will be an amount determined by applying a yield of 9.00% to the forecast NOI to be generated from the shopping centres for the 12-month period commencing 31 August 2019 plus (i) any agterskot payments and (ii) any payment in respect of the Mdantsane bulk. The forecast NOI for the purpose of the agreement has been assumed to be R160 million (which would translate into an aggregate disposal consideration of R1 777 777 778.00). That will constitute the maximum price payable by Vukile, subject only to the agterskot payment and any payment that may be made in respect of Mdantsane bulk. The difference between the valuation and the disposal consideration is due to the fact that the value attributed by the independent property valuer is an open market value, while the disposal consideration is a negotiated value.
4. The properties comprising the disposal portfolio were valued by Mike Gibbons of Mills Fitchet who is an independent external valuer registered in terms of the Property Valuers Profession Act 47 of 2000.
5. Weighted average rental per square meter is as at 28 February 2019.

INDEPENDENT SUMMARY VALUATION REPORT IN RESPECT OF THE PROPERTIES COMPRISING THE DISPOSAL PORTFOLIO

“14 June 2019

The Directors
Rebosis Property Fund Limited
2nd Floor
Roland Garros Building
The Campus,
Corner of Main & Sloane Street
Bryanston
2191

Dear Sirs

**RE: INDEPENDENT PROPERTY VALUERS’ REPORT OF THE PROPERTY PORTFOLIO TO BE DISPOSED
BY REBOSIS PROPERTY FUND LIMITED (“REBOSIS”)**

In accordance with your instruction of 16 May 2019, I confirm that we have visited and inspected the three properties listed in the attached schedule (“the properties”) during May 2019 (Section 13.23 (a)(iii)) and have received all necessary details required to perform a valuation in order to provide you with my opinion of the properties’ market values as at 1 September 2019 (Section 13.23(c)).

1. INTRODUCTION

The valuation of the properties has been carried out by the valuer who has carefully considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of Rebosis. The detailed reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk. All these aspects have been considered in the individual valuation reports of the properties. The detailed reports have further addressed the tenancy income capability and expenditure for each property and tenant. Historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the fair market value for each property which is detailed in the detailed report and which has been summarised on a summary schedule, attached hereto, for each property. There are three properties and the important aspects of the detailed valuation report including the property market value for all of the properties have been summarised in the attached schedule.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

- 2.1 a willing seller and a willing buyer in a market;
- 2.2 that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the property, for the agreement of price and terms and for the completion of the sale; and
- 2.3 that the state of the market, level of values and other circumstances are, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

3. VALUE CALCULATION

The calculation of the market value of these properties has been based on income capitalisation. This is the fundamental basis on which commercial income producing properties are traded on the market in South Africa. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market. (Section 13.23 (d)).

Properties traded in the current market reflect a yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

The discounted cash flow value has, however, also been calculated for each property as a check to ensure that the capitalised value calculated is consistent with market norms and expectations.

The considerations for the capitalised valuations are as follows:

- 3.1 calculating the forward cash flow of all contractual and other income from the properties;
- 3.2 calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed;
- 3.3 the current area vacancy as a percentage of the properties is approximately 5.77%. In order to apply a conservative approach, I have deducted approximately 2.03% of the net income from the second year as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting during the course of the coming year. The current vacancy is market related. The void provision used in the valuation is therefore adequate. (Section 13.23 (f)(i));
- 3.4 there is no loss of rental due to renovations or refurbishments currently being carried out on the buildings. There is, however, ongoing external maintenance work and some tenant installation fitting that is currently in progress. There is no loss of rental as a result of these activities. (Section 13.23 (f)(ii));
- 3.5 generally the rentals are market related. This has been determined by comparing similar buildings in comparable areas to the properties valued, in terms of rental per square metre. The rental rate has also been checked against various published indices including the South African Property Owners Association (SAPOA) index. There are no properties that are over-rented, or that cannot be re-rented at the same or higher rental rate should such property become vacant. There is therefore minimal potential for rental flow reversion. There is however, a positive upside potential for real growth in rental, given the low base off which the average rentals flow. This is provided that the economy remains in a slow recovery pattern as currently being experienced as that there are no major economic fluctuations which may upset the economy. (Section 13.23 (f)(iii));
- 3.6 capitalising the net contractual income derived from the properties for a period of one year in advance, calculated from 1 September 2019;
- 3.7 the valuation has considered published market statistics regarding rental rates and expenditure for the different types of properties. It is also considered numerous other portfolios of similar properties in order to determine if any properties are over rented or have excessive expenditure; and
- 3.8 various provisions for capital contingencies were deducted from the capitalised value.

4. SPARE LAND

We have made no allowance of additional land or developable bulk.

5. BRIEF DESCRIPTION

The three properties comprise recently completed regional shopping centres, two of which are located in Gauteng and the other in the Eastern Cape.

The properties have been very well constructed, have good architectural merit, aesthetic appeal, sufficient parking facilities and are well tenanted. The leases tend to be of a general contractual rental nature with provision for the recovery of services consumed by the lessee's and turnover rental from various retail outlets. Escalations are market related but are high enough to ensure a more than positive growth rate is ensured without creating an over rent potential in the medium term. The properties are generally highly visible and dominate their environment.

In respect of the properties, the current net annual rental and the estimated future net annual rentals at specified dates and for specified periods are included in each individual detailed property valuation report.

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of: leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised properties; large exposure to a single tenant; potential tenant failure due to over-rent; expenses required for major repairs; maintenance or other exposure to maintain the lettable of the building; contingent expropriations or servitudes that may be enforced; poor lease recordals whereby the lease may be disputed or rendered invalid.

I have, to the best of my knowledge, considered all of these aspects in the valuation of all the properties. There are no properties that are prejudiced in value by the influence of the above factors.

The valuer is however not responsible for the competent daily management of these properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

7. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

To my knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties. (Section 13.23(g)).

To the best of my knowledge, there are no options in favour of any parties for any purchase of any of the properties. (Section 13.23(h)).

8. INTRA-GROUP OR RELATED PARTY LEASES (SECTION 13.23 (A)(XI))

We are not aware of any intra-group or related party leases within the centres being valued.

9. CURRENT STATE OF DEVELOPMENT

There are no properties which are currently being developed.

10. RENTALS USED IN VALUATIONS

Note that all these properties are all generally rented out. The current annual rental and future annual rentals have been calculated in a separate discounted cash flow check schedule. It is noted that there are no material rental reversions and that the rentals for all the properties increase on average by approximately 7% compounding per annum.

11. EXTERNAL PROPERTY

None of the properties are situated outside the Republic of South Africa. (Section 13.28).

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY (SECTIONS 13.30 AND 13.31)

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Rebois.

13. ALTERNATIVE USE FOR A PROPERTY (13.27)

The properties have been valued in accordance with their existing use which represents their market value. No alternative use for the properties have been considered in determining their value.

14. OTHER COMMENTS

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

15. CAVEATS

15.1 Source of information and verification (Section 13.23 (a)(xiii))

Information on the properties regarding rental income, recoveries, turnovers and other income detail has been provided to me by the current owners and their managing agents.

I have not yet received copies of all of the leases of the existing properties. Where there are such leases with major tenants comprising anything higher than 10% occupancy of the property; the leases have been read to check against management detail, in order to ensure that management has correctly captured tenant information as per contractual agreement. This has been done to test management information against the underlying agreements.

I have further compared certain expenditures given to me, to the market norms of similar properties. Where possible, this has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the properties in order to assess potential expenditure going forward. The municipal values on the properties are very low. At the current transaction values there is some potential for the municipal value to increase by a considerable amount, should the municipality revalue these properties, in which event the rates could increase to 3 or 4 times their current amount.

15.2 Full disclosure

This valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to myself.

I have to the best of my ability researched the market as well as taken the steps detailed in paragraph 15.3 below.

15.3 Leases (Section 13.23 (a)(ix))

Our valuation will be based on a review of actual tenants' leases (which includes material terms such as repairing obligations, escalations, break options) and other pertinent details supplied to us by the managing agents and by Rebois. Set out below is a high level summary of the actual tenant leases in respect of approximately 40% of the total GLA of the properties.

Tenant	Lease start	Lease expiry	Area (m ²)	% of GLA	Gross rental month 1	% of month 1 income	Annual escalation %	Comment
PROPERTY: MDANTSANE CITY								
Shoprite	01/05/2018	30/04/2023	3 088.00	8.56%	R271 946.18	6.04%	Minimum 5% Maximum 6%	Signed lease
Pick 'n Pay	01/05/2018	30/04/2023	2 936.00	8.13%	R240 733.52	5.34%	6%	Signed lease
Motion Fitness	01/09/2019	31/08/2020	1 638.00	4.54%	R81 899.00	1.82%	N/A	Tenant legal
Cashbuild	01/04/2018	31/03/2023	1 933.00	5.36%	R140 618.79	3.12%	7%	Signed lease
Woolworths	01/05/2018	30/04/2023	1 113.57	3.09%	R47 326.73	1.05%	–	Original lease expiry is 2018 Letter exercising their option to renew No addendum/new lease
PROPERTY: SUNNYPARK								
Checkers Existing H.O.A expired in June 2018	01/07/2008	30/06/2023	2 129.00	7.62%	R202 073.88	3.99	6%	Proposal only no new lease
Virgin Active	01/04/2013	31/03/2023	2 740.00	9.81%	R458 808.11	9.06%	7.50%	Signed lease
Truworths	01/09/2019	31/08/2020	1 226.00	4.39%	R308 743.00	6.09%	N/A	Lease provided expired in November 2018
Woolworths	01/10/2018	30/09/2023	3 200.00	11.46%	R134 400.00	2.65%	–	Letter exercising their option to renew
No addendum/new lease								
Vacant office	N/A	N/A	1 000.00	3.58%	–	–	N/A	Assume no income for 5 years
Vacant office	N/A	N/A	1 006.00	3.60%	–	–	N/A	Assume no income for 5 months
PROPERTY: BLOED STREET MALL								
Spar	01/11/2018	31/10/2023	3 315.00	12.15%	R281 775.00	6.36%	6%	Received renewal document only
Game and Dion								
Wired	01/10/2017	30/09/2024	4 263.00	15.62%	R447 614.88	10.10%	6%	No original lease
Signed addendum only								
Gym company	01/07/2017	30/06/2027	2 114.00	7.75%	R176 937.28	3.99%	6%	Received offer to lease only
Mr Price	01/11/2018	31/10/2023	1 128.60	4.13%	R210 908.25	4.76%	6%	Received offer to lease only

All recovery details in respect of the existing leases e.g. utility cost and other recoveries as provided for in the leases have been disclosed by way of the monthly tenant invoices and/(or) summary schedule supplied to us. Option terms and other lease information have been supplied to us by the owners and managing agents and we are familiar with such documents.

15.4 Lessee's credibility

In arriving at our valuation, cognizance has been taken of the lessee's security and rating. In some cases this has influenced the capitalisation rate by way of a risk consideration.

15.5 Mortgage bonds, loans, etc.

The properties have been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the properties.

15.6 Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents.

Updated plans were not available for all the properties in respect of internal configuration. The properties generally appear to have the stated square meterage which could only be more accurately determined if remeasured by a professional. The reported square meterage is therefore considered as correct as possible without a full remeasurement exercise being undertaken.

15.7 Structural condition

The properties have been valued in their existing state. I have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have I arranged for the testing of any electrical or other services.

15.8 Contamination

The valuation assumes that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

15.9 Town planning (Section 13.23 (a)(vi) and (vii))

Full town planning details have been requested and an audit of these is being prepared. Furthermore all title deeds have been supplied in the detailed valuation reports including conditions and restrictions and the properties have been checked against such conditions. This is to ensure that they comply with town planning regulations and title deeds. There do not appear to be any infringements of local authority regulations or deeds by any of the property.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the properties which infringement could decrease the value of the properties as stated.

16. **MARKET VALUE**

I am of the opinion that the aggregate market value of the properties as at 1st September 2019 is R1 768 100 000.00 (excluding VAT). A summary of the individual valuations and details of each of the properties is attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I have more than 25 years' experience in the valuation of all nature of property and I am qualified to express an opinion on the fair market value of the properties.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

for **MILLS FITCHET MAGNUS PENNY**

M. R. B. Gibbons

Nat. Dip. Prop. Val. MIV(SA) MRICS

Professional Valuer

(Registration No. 4127)

(Registered without restriction in terms of The Properties Valuers Act No. 47 of 2000)

Suite SG110, Ground Floor, Great Westerford, 240 Main Road, Rondebosch, Cape Town, 7725
(section 13.23 (b))”

SCHEDULE OF PROPERTIES

No	Property name	Physical address	Registered legal description (Erf number)	Property description and use	Valuer's inspection date	Freehold/leasehold	Rentable area (GLA) (m ²)	Approximate age of building	Building grade	Zoning town planning and statutory contravention (if any) void/vacancy	Assumed perpetual void/vacancy	Net Income projection (R) for the period Sept 2019 to Aug 2020	Valuation (R) as at Sept 2019
1	Mdantsane	Cnr Billie Road & Quamba Highway, Mdantsane Unit 4, Buffalo City Municipality, East London RD, Eastern Cape Province	Erf 2277 Mdantsane Unit 4, Buffalo City Metropolitan Municipality, East London RD, Eastern Cape Province	Retail/ Shopping Centre	May/June 2019	Freehold	36 096	11 years	Prime	None	2.50%	R47 119 645	R531 100 000
2	Bloed Street Mall	Cnr Bloed and Van Der Walt Streets, Pretoria, City of Tshwane Metropolitan Municipality, Gauteng	Leasehold Rights over: R/E, Ptns 2 & 3 of Erf 82, R/E and Ptns 1, 2 & 3 of Erf 83; R/E of Erf 84, R/E & Ptn 1 of erf 39, R/E & Ptn 1 of Erf 40R/E Erf 41, R/E, Ptns 2, 3, 4, 5 & 6 of Erf 42, R/e & Ptn 1 of Erf 850, R/E & Ptns 1, 2, 3 & 4 of Erf 851, Erf 3057 & Erf 3135 and Freehold Rights over: R/E of Erf 3136 Pretoria, City of Tshwane Metropolitan Municipality, J.R. Registration Division, Gauteng Province	Retail/ Shopping Centre	May/June 2019	Freehold & Leasehold	27 293.90	20 years	Prime	None	2.50%	R52 389 504	R617 000 000
3	Sunnypark	108 Robert Sobukwe Street & Greef Street, Pretoria, City of Tshwane Metropolitan Municipality, Gauteng	Sections 190 & 200 plus Exclusive Use Parking Bays PA1, PA21, PA22, PA23, PA24, PA25, P3, P4, P5 & PA7 in the S/T Scheme Sunnypark, City of Tshwane Metropolitan Municipality, JR, Gauteng	Retail/ Shopping Centre	May/June 2019	Freehold	27 928.52	44 years	Prime	None	2.50%	R52 042 458	R620 000 000

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

The consolidated *pro forma* statement of financial position of Rebosis and the consolidated *pro forma* statement of comprehensive income of Rebosis, showing the *pro forma* effects of the transaction (the “**consolidated *pro forma* financial information**”) is based on Rebosis’ unaudited consolidated interim results for the six months ended 28 February 2019 and is set out below.

The consolidated *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the transaction may have affected the financial position of the group, assuming the transaction had been implemented on 28 February 2019 for statement of financial position purposes and implemented on 1 September 2018 for statement of comprehensive income purposes. Because of its nature, the consolidated *pro forma* financial information may not fairly represent Rebosis’ financial position, comprehensive income, changes in equity or cash flows after the transaction. The *pro forma* financial information presented below does not purport to be indicative of the financial results and effects of the transaction if it had been implemented on a different date.

The consolidated *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the board of directors. The *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited condensed consolidated interim results of Rebosis for the six months ended 28 February 2019. The *pro forma* financial information is presented in accordance with the JSE Listings Requirements and the Guide on *Pro forma* Financial Information issued by the South African Institute of Chartered Accountants.

The independent reporting accountants’ assurance report on the consolidated *pro forma* financial information is set out in **Annexure 4** of this circular.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTH PERIOD ENDING 28 FEBRUARY 2019

	Notes	1	2	3	4	5
		Unadjusted interim results for the six months ended 28 February 2019 R'000	Adjustment on sale of the disposal portfolio extracted from the carve out statement of income and expenses 28 February 2019 R'000	IFRS and other adjustments affecting Rebois R'000	Costs of circular R'000	Pro forma after the transaction for the six months ended 28 February 2019 R'000
Investment property income		970 763	(116 068)			854 695
Net income from facilities management agreement		14 941	(1 337)			14 941
Straight-line rental adjustment		(32 387)				(33 724)
Revenue		953 317	(117 405)			835 912
Property expenses		(282 926)	37 424			(245 502)
Net property income		670 391	(79 981)			590 410
Other operating expenses		(70 062)	6 978		(1 469)	(64 553)
Operating profit		600 329	(73 003)		(1 469)	525 857
Finance income		38 902				38 902
Finance cost amortisation		(19 532)				(19 532)
Finance costs	6	(479 317)	51 879	39 142		(388 296)
Net operating income		140 382	(21 124)	39 142	(1 469)	156 931
Other income		3 194				3 194
Changes in fair values	7	(1 093 570)	324 848	(324 848)		(1 093 570)
Investment property		(227 375)	324 848	(324 848)		(227 375)
Investment in listed securities		(884 184)				(884 184)
Derivative instruments (I/S)		17 989				17 989
Changes in impairments		(1 073 629)				(1 073 629)
Loss before income tax		(2 023 623)	303 724	(285 706)	(1 469)	(2 007 074)
Income tax expense						
(Loss)/profit for the period		(2 023 623)	303 724	(285 706)	(1 469)	(2 007 074)
Total comprehensive loss for the period attributable to equity holders		(2 023 623)	303 724	(285 706)	(1 469)	(2 007 074)
Total shares in issue		63 266 012				63 266 012
Number of Rebois A shares ("REA") in issue		699 253 200				699 253 200
Number of Rebois ordinary shares ("REB") in issue		(2 408 326)				(2 408 326)
Treasury shares		696 844 874				696 844 874
Number of shares in issue, net of treasury shares		63 266 012				63 266 012
Weighted average number of A ordinary shares		696 844 874				696 844 874
Weighted average number of ordinary shares		132.75				132.75
Basic and diluted earnings per REA share (cents)		(302.45)				(300.08)
Basic and diluted earnings per REB share (cents)		132.75				132.75
Basic and diluted headline earnings per REA share (cents)		11.13				13.51
Basic and diluted headline earnings per REB share (cents)						
Workings:						
Headline earnings per share		(2 023 623)				(2 007 074)
Loss for the period		227 375				227 375
Change in fair value of investment properties		884 184				884 184
Change in fair value of investment in listed securities		1 073 629				1 073 629
Impairments						
Adjusted earnings for HEPS		161 565				178 114

Notes and assumptions:

1. Unadjusted unreviewed interim consolidated results for the six months ended 28 February 2019 of Rebois, published on 13 May 2019.
2. Adjustment on sale of the Properties for an amount of R303.7 million as reflected in the reviewed carve-out interim statement of direct income and expenses. For the purposes of preparing the *pro forma* effects, on the consolidated statement of profit or loss and other comprehensive income, it is assumed that the sale of the properties took place on 1 September 2018.
3. Adjustments to Rebois following the sale of the shopping centres not reflected in the carve-out statement of net assets, including the effect on retained income, IFRS adjustment writing down the value of the disposal portfolio to the sales price as well as the interest cost saving arising from the disposal consideration.
4. Adjustment to other operating expenses to reflect the balance of the costs of the circular amounting to R1.5 million.
5. The *pro forma* effect on the unaudited results of Rebois, following the sale of the shopping centres and the application of the proceeds to reduce loans.
6. The reversal of interest paid saving of R91 million on the loan facilities granted. The directors have resolved that the net proceeds on disposal will be applied to reduce the borrowings as detailed in **Annexure 7**. It has been assumed that the net proceeds will be applied proportionately to the various facilities granted and the interest saving has been recalculated on this basis. The finance costs saving reflected in the adjustment on sale of the shopping centres comprises an amount of R51.9 million, being the estimated portion of the finance costs on debt of R1 048 million not incurred, as the transaction is deemed to have taken place on 1 September 2018 and an additional interest saving of R39.1 million on the excess proceeds of R730 million used to settle additional debt.
7. Fair value adjustments of the shopping centres calculated as a decrease of the fair market value of the shopping centres as at the date of sale compared to the fair market value as reflected in the audited financial statements as at 31 August 2018, as adjusted for the subsequent improvements which are included in the valuation of investment property as at 28 February 2019.
8. All adjustments are of a continuing effect with the exception of the transaction costs.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2019

	Notes	1	2	3	4	5
		Unadjusted unreviewed interim financial position at 28 February 2019 R'000	Adjustment on sale of the disposal portfolio R'000	IFRS and other adjustments affecting Rebois R'000	Costs of circular R'000	Pro forma after the transaction for the six months ended R'000
ASSETS						
Non-current assets		15 959 303	(1 777 778)	(324 848)		13 856 677
Investment property		14 966 231	(1 777 778)	(324 848)		12 863 605
Fair value of property portfolio		14 608 059	(1 756 497)	(324 848)		12 526 714
Straight-line rental income accrual		358 172	(21 281)			336 891
Property, plant and equipment		7 513				7 513
Investment in associates		108 590				108 590
Loans to associates		180 473				180 473
Other financial assets		180 499				180 499
Goodwill		499 331				499 331
Derivative instruments		16 666				16 666
Current assets		328 907	(18 993)			309 914
Trade and other receivables		266 902	(18 993)			247 909
Short term portion of derivatives		15 624				15 624
Cash and cash equivalents		46 381				46 381
Investment property reclassified as held for sale		2 128 329				2 128 329
Total assets		18 416 539	(1 796 771)	(324 848)		16 294 920
EQUITY AND LIABILITIES						
Equity		7 953 675	(6 589)	(324 848)	(1 469)	7 620 769
Stated capital		9 015 068				9 015 068
(Accumulated loss)	7	(1 061 393)	(6 589)	(324 848)	(1 469)	(1 394 299)
Non-current liabilities		4 842 110	(1 777 778)			3 064 332
Interest bearing borrowings		4 813 748	(1 777 778)			3 035 970
Derivative instruments		28 362				28 362
Current liabilities		5 620 754	(12 404)		1 469	5 609 819
Current portion of interest bearing borrowings		5 262 296				5 262 296
Short term portion of deferred payment liability		124 889				124 889
Short term portion of derivative instruments		51 461				51 461
Trade and other payables		182 108	(12 404)		1 469	171 113
Total liabilities		10 462 864	(1 790 182)	(324 848)	1 469	8 674 151
Total equity and liabilities		18 416 539	(1 796 771)	(324 848)		16 294 920
Net asset value per Rebois A share (R)		20.65				20.65
Net asset value per Rebois ordinary shares (R)		9.54				9.06
Workings:						
Number of Rebois A shares in issue		63 266 012				63 266 012
Number of Rebois ordinary shares in issue		699 253 200				699 253 200
Treasury shares		(2 408 326)				(2 408 326)
Number of shares in issue, net of treasury shares		696 844 874				696 844 874

Notes and assumptions:

1. Unadjusted unreviewed interim financial position at 28 February 2019 for Rebosis as extracted from the unaudited condensed consolidated interim results for the six months ended 28 February 2019 as published on 13 May 2019.
2. Adjustment on sale of the shopping centres as extracted from the carve-out historical statement of net assets at 28 February 2019 (see **Annexure 4**). For the purposes of preparing the *pro forma* effects on the statement of financial position of Rebosis. It is assumed that the sale of the shopping centres took place on 28 February 2019. Net proceeds on sale comprises gross proceeds of R1.7 billion. For the purposes of preparing these *pro formas*, it is assumed that the additional consideration that may become payable as detailed in paragraph 3.3 and 3.4 of this circular, has not been included due to the uncertainty of the conditions precedent. As the shopping centres are not owned by a separate legal entity of Rebosis, for the purposes of preparing the net asset statement of the shopping centres, the retained income represents the cumulative “investment” of the company in the shopping centres.
3. Fair value adjustment on the disposal of the shopping centres by Rebosis assuming the transaction took place on 28 February 2019.
4. Transaction costs of the circular.
5. *Pro forma* statement of financial position after sale of the shopping centres as reflected in carve-out statement of net assets, and adjustments as detailed above.
6. Adjustment to accumulated loss, removing the effect of the fair value on the disposal of the shopping centres amounting to R324 million and the release of net trade and other debtors and creditors amounting to R(6.6) million.
7. Settlement of R1 048 million portion of borrowings attributable to the shopping centres and the utilisation of R730 million (being the balance of the proceeds), utilised to reduce the borrowings of Rebosis.
8. There is no significant uncertainty that transfer of the shopping centres will not be effected on 31 August 2019 as all conditions precedent are expected to be timeously fulfilled.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION

“The Directors
Rebosis Property Fund Limited
2nd Floor, Roland Garros Building
The Campus
Corner Sloane & Main Road
Sandton
2191

14 June 2019

Dear Sir/Madam

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF REBOSIS PROPERTY FUND LIMITED (“REBOSIS” OR “THE COMPANY”)

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Rebosis by the directors. The *pro forma* financial information, as set out in **Annexure 3** of the circular to be issued on or about 27 June 2019 (“**the Circular**”), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the JSE Listing Requirements and described in **Annexure 3**.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Section 3 of the Circular, on the company’s financial position and performance as at 28 February 2019, as if the corporate action or event had taken place at 28 February 2019 for statement of financial position and 1 September 2018 for statement of comprehensive income purposes. As part of this process, information about the company’s financial position and performance has been extracted by the directors from the company’s unaudited interim financial information for the six-month period ended 28 February 2019.

Directors’ responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listing Requirements and described in **Annexure 3** of the Circular and as described in the notes to the consolidated *pro forma* statement of financial position and *pro forma* statement of comprehensive income.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants’ responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listing Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro forma* Financial Information Included in a Prospectus issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in the Circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listing Requirements and described in **Annexure 3** of the Circular.

Consent

This report on the *pro forma* statement of financial position is included solely for the information of the Shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position, *pro forma* statement of comprehensive income and the references thereto, in the form and context in which they appear.

Yours faithfully

BDO South Africa Incorporated

Chartered Accountants (SA)

Registered Auditors

per **N Lazanakis**

Chartered Accountant (SA)

Registered Auditor

JSE Reporting Accountant Specialist

52 Corlett Drive, Illovo, 2196”

REPORT OF HISTORICAL FINANCIAL INFORMATION OF THE CARVE-OUT FINANCIAL INFORMATION ON THE PROPERTIES

CARVE-OUT FINANCIAL INFORMATION

Shareholders are referred to the announcement released on SENS on Monday, 13 May 2019 and published in the South African press on Tuesday, 14 May 2019 detailing the transaction between Rebosis and Vukile.

In terms of the transaction, Rebosis will dispose of the shopping centres to Vukile for the disposal consideration.

The historical financial information has been extracted from the audited financial statements of Rebosis for the years ended 31 August 2018, 2017 and 2016 and from the interim financial statements for the period ended 28 February 2019.

The net asset statements of the shopping centres as at 28 February 2019, 31 August 2018, 2017 and 2016 and the statement of direct income and expenses as at 28 February 2019, 31 August 2018, 2017 and 2016 and the related accounting policies and notes have been compiled, in accordance with the special purpose framework set out below:

The carve-out historical financial information has been prepared on a carve-out basis from the accounting records of Rebosis and using historical results of operations, assets and liabilities attributable to the Properties.

The accounting policies are consistent with those applied in the interim financial period statements for the period 28 February 2019.

The shopping centres do not represent a separate legal entity and do not operate with a separate bank account. The directors have therefore decided not to include equity movements in the form of a statement of changes in equity, as well as a cash flow statement in the presentation of carve-out financial statements. Similarly, the directors have not allocated a portion of the other operating expenses which are not directly linked to the shopping centres. The other operating costs relates to the head office running costs for all the support functions to the properties

Directors' responsibility statement

The directors are responsible for the preparation and presentation of the carve-out financial information, comprising the net asset statements at 28 February 2019, 31 August 2018, 2017 and 2016 and the statements of direct income and expenses for the period ended and the years then ended, the related notes and accounting policies ("**Financial Information**"), in accordance with the basis of accounting described in note 1.3 to the Financial Information.

The Financial Information has been prepared for the purposes of providing financial information to satisfy the requirements of section 8 of the JSE Listings Requirements and for no other purpose. In addition, the directors are responsible for preparing the directors' commentary included in the Financial Information. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the Financial Information that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Financial Information may not be indicative of the financial position, results of operations and cash flows that would have been presented if the shopping centres existed as a separate legal entity during the periods presented. Therefore, the Financial Information may not necessarily be indicative of the shopping centres' future financial position, results of operations and cash flows.

Approval of the Financial Information

The Financial Information, as identified in the first paragraph, was approved by the directors on 14 June 2019 and were prepared under the supervision of Isabeau King, being the Chief Financial Officer.

Carve-out historical financial information of the shopping centres

Net asset statement

	Notes	Reviewed interims as at 28 February 2019 Restated R'000	Audited year ended 31 August 2018 R'000	Audited year ended 31 August 2017 R'000	Audited year ended 31 August 2016 R'000
ASSETS					
Non-current assets		1 777 778	2 100 000	2 155 990	1 872 499
Fair value of property portfolio	2.1	1 756 496	2 080 055	2 129 274	1 844 626
Straight-line rental income accrual	2.1	21 282	19 945	26 716	26 873
Current assets		18 993	25 610	24 782	14 919
Trade and other receivables	3	18 993	25 610	24 782	14 919
Total assets		1 796 771	2 125 610	2 180 772	1 887 418
Non-current liabilities		500 614	568 874	569 776	830 188
Interest bearing borrowings	5	500 614	568 874	569 776	830 188
Current liabilities		559 664	696 807	569 012	137 146
Current portion of interest bearing borrowings		547 261	680 103	556 512	126 109
Trade and other payables		12 404	16 704	12 500	11 037
Total liabilities		1 060 279	1 265 681	1 138 788	967 334
Total Net Assets		736 491	859 929	1 041 984	920 084

Statements of direct income and expenses of the shopping centres

	Reviewed for the six months ended 28 February 2019 R'000	Audited year ended 31 August 2018 R'000	Audited year ended 31 August 2017 R'000	Audited y ear ended 31 August 2016 R'000
Investment property income	116 068	229 506	217 693	202 417
Straight-line rental adjustment	1 337	(6 771)	(157)	2 201
Revenue	117 405	222 735	217 536	204 618
Property expenses	(37 424)	(75 864)	(68 378)	(62 714)
Net property income	79 981	146 871	149 158	141 904
Other operating expenses	(6 978)	(10 066)	(9 160)	(8 677)
Operating profit	73 003	136 805	139 998	133 227
Finance costs	(51 879)	(112 581)	(96 812)	(50 044)
Net operating income	21 124	24 224	43 186	83 183
Changes in fair values	(324 848)	(77 441)	257 118	347 505
Profit/(loss) before income tax	(303 724)	(53 217)	300 304	430 688
Income tax expense				
Profit/(loss) for the period	(303 724)	(53 217)	300 304	430 688
Total comprehensive income/(loss) for the period attributable to equity holders	(303 724)	(53 217)	300 304	430 688

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Reporting entity

The Financial Information is obtained from Rebosis which is domiciled in the Republic of South Africa. The Financial Information is prepared on the going-concern basis and the accounting policies set out below have been applied consistently to all periods presented.

1.2 Nature of business

Rebosis directly owns a portfolio of 36 investment properties.

1.3 Basis of preparation

1.3.1 *Statement of compliance*

Basis of accounting for the reviewed net asset statement as at 28 February 2019 and the audited net asset statements for the years ended 31 August 2018, 2017 and 2016; and the reviewed statement of direct income and expenses for the period ended 28 February 2019 and audited statements of direct income and expenses for the years ended 31 August 2018, 2017 and 2016.

The Financial Information has been prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, and the requirements of the South African Companies Act, and incorporate the principal accounting policies and valuation principles set out below.

This reviewed and audited Financial Information is intended for the sole use of providing financial information to meet the requirements of section 8 of the JSE Listings Requirements. The Financial Information relates to the shopping centres.

The disposal portfolio comprises the following:

- Mdantsane City Shopping Centre, situated at Erf 2277 Mdantsane Unit 4, Buffalo City Local Municipality, Division of East London, Province of Eastern Cape.
- Bloed Street Mall Shopping Centre, situated at the remaining extent of Erf 3136 Pretoria Township, Registration Division JR, Gauteng; and Portion 4 of Erf 38 Pretoria Township, Registration Division JR, Gauteng.
- Sunnypark Shopping Centre, situated at Section No. 190 as shows and more fully described on Sectional Plan No. SS384/2013 in the scheme known as Sunnypark in respect of land and building or buildings situated at Sunnyside and Trevena Townships, local authority City of Tshwane Metropolitan Municipality, of which section that floor area, according to the said sectional plan, is 3,5241 hectares in extent.
- An undivided share in common property in the scheme apportioned to the said section in accordance with the participation quote as endorsed on the said section plan.
- Section No. 200 as shows and more fully described on Sectional Plan No. SS384/2013 in the scheme known as Sunnypark in respect of land and building or buildings situated at Sunnyside and Trevena Townships, local authority City of Tshwane Metropolitan Municipality, of which section that floor area, according to the said sectional plan, is 7749 square metres in extent.
- An undivided share in common property in the scheme apportioned to the said section in accordance with the participation quote as endorsed on the said section plan.

Section 8 of the JSE Listings Requirements require that the Financial Information of the disposals be presented in respect of the subject matter of those disposals, namely, the shopping centres. The Financial Information includes net asset statements and statements of profit or loss and other comprehensive income which contain financial information relating only to the shopping centres listed above. This Financial Information is therefore referred to as “carve-out” Financial Information.

The carve-out Financial Information has been prepared in accordance with the accounting policies set out below.

1.3.2 *Functional and presentation currency*

The Financial Information is presented in South African Rand (“**Rand**”), which is the company’s functional currency.

1.4 **Investment properties**

Investment properties are properties held for the purpose of earning rental income and for capital appreciation. Investment properties are initially recorded at cost and include transaction costs on acquisition. Subsequent expenditure to add to or to replace a part of the property is capitalised at cost. The replaced parts are derecognised.

Investment properties are valued annually and adjusted to fair value as at the date of the statement of financial position. Any gain or loss arising from a change in the fair value of the investment property is included in profit or loss in period to which it relates.

Gains and losses on the disposal of investment properties are recognised in profit or loss and are calculated as the difference between the sale price and the carrying value of the property.

1.5 **Revenue recognition Property portfolio revenue**

Property portfolio revenue comprises operating lease income and operating cost recoveries from the letting of investment properties. Operating lease income is recognised on a straight-line basis over the term of the lease. Contingent rents (turnover rentals) are included in revenue when the amount can be reliably measured.

1.6 **Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is substantially ready for its intended use. Qualifying assets are those that necessarily take a substantial period of time to prepare for their intended use.

The amount of borrowing costs eligible for capitalisation is the actual borrowing costs incurred on funds specifically borrowed in respect of the qualifying asset. Investment income earned on the temporary investment of borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost capitalised. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are complete. All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.7 **Taxation**

Taxation for the year comprises current and deferred taxation.

The charge for current tax is based on the results for the period as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantially enacted at reporting date.

Deferred income tax is provided using the comprehensive liability method for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred taxation assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arose as a result of a transaction, other than a business combination, that does not impact accounting or taxable profit or loss.

Deferred taxation is calculated at the tax rates that are expected to apply to the period when the asset is realised, or the liability settled.

Taxation is recognised in profit or loss unless it relates to a transaction that is recognised in equity or other comprehensive income, in which case the taxation is recognised in equity or other comprehensive income.

As the company is a REIT it is not liable for capital gains tax in terms of Section 25BB of the Income Tax Act.

1.8 **Letting costs**

Tenant installations and lease commissions are carried at cost less accumulated depreciation. Depreciation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

1.9 **Key estimates and assumptions**

Estimates and assumptions, an integral part of financial reporting, have an impact on the amounts reported for the company's assets, liabilities income and expenses. Judgement in these areas is based on historical experience and reasonable expectations relating to future events. Actual results may differ from these estimates. In valuing the investment properties a number of assumptions are made. Refer to the detail in note 2.

2. INVESTMENT PROPERTIES AND RELATED RECEIVABLES

2.1 Investment properties and related receivables

	Reviewed interims as at 28 February 2019 R'000	Audited as at 31 August 2018 R'000	Audited as at 31 August 2017 R'000	Audited as at 31 August 2016 R'000
Cost	1 299 747	1 299 747	1 299 747	1 299 747
Subsequent expenditure	120 965	119 676	91 454	63 925
Fair value adjustment	335 784	660 632	738 073	480 955
Investment properties	1 756 496	2 080 055	2 129 274	1 844 627
Straight – lining of leases	21 282	19 945	26 716	26 873
Fair value	1 777 778	2 100 000	2 155 990	1 871 500
Movement in investment properties and related receivables				
Carrying value at the beginning of the year	2 100 000	2 155 990	1 871 500	1 498 000
Subsequent improvements	1 289	28 221	27 528	23 794
Fair value adjustments	(324 848)	(77 441)	257 119	347 505
Straight – lining receivable (derecognised)/recognised	1 337	(6 770)	(157)	2 201
Fair value at the end of the year	1 777 778	2 100 000	2 155 990	1 871 500
Operating lease receivables				
Non – cancellable operating rentals are receivable as follows:				
Less than one year	129 666	90 745	115 963	2 502
Between one and five years	331 972	188 241	175 072	6 345
More than five years	34 564	30 540	20 124	317 921
	496 202	309 526	311 159	326 768
Less straight – line portion	(21 282)	(19 945)	(26 716)	(26 873)
Receivable raised	474 920	329 471	284 443	299 895

These investment properties, as disclosed above, are encumbered as per note 5.

Valuation process

All investment properties were valued by the directors at the interim reporting date 28 February 2019 and independently valued by a professional valuer for the year-end date 31 August 2018, 31 August 2017 and 31 August 2016.

Mills Fitchet, led by Mike Gibbons, was responsible for the valuation of the South African retail portfolio. The valuer is a registered valuer in terms of Section 19 of the Property Valuers Professional Act (Act No 47 of 2000).

All the significant inputs and assumptions in respect of the valuation process are developed in close consultation with management. The valuation process and fair value changes are reviewed by the audit committee and the board of directors at each reporting date. The directors confirm that there have been no material changes to the assumptions applied by the registered valuers.

The most significant inputs to the valuation process, all of which are unobservable, are the estimated rentals at the end of the lease, assumptions regarding vacancy levels (based on current and expected future market conditions), the discount rate, the capitalisation rate and terminal value taking into account rental and maintenance projections. The estimated fair value increases if: the estimated rental increases, vacancy levels decline or if discount rates (market yields) and reversionary capitalisation rates decline.

The valuations were based on the discounted cash flow methodology applying appropriate capitalisation rates of between:

28 February 2019 – 6.75% and 11.00%

31 August 2018 – 6.75% and 11.00%

31 August 2017 – 6.00% and 11.00%

31 August 2016 – 6.00% and 11.00%

Changes to the rates attributable to changes in market conditions can have a significant impact on property valuations. An increase in the capitalisation rate will decrease the value of the investment property and a decrease in the capitalisation rate will increase the value of the investment property.

Fair value hierarchy

The fair value measurement for investment property as indicated in the net asset statement as at 28 February 2019 and 31 August 2018, 2017 and 2016 have been categorised as a level 3 fair value based on the inputs to the valuation technique used. A reconciliation of the opening balances to the closing balances for level 3 valuations is disclosed above.

3. TRADE AND OTHER RECEIVABLES

	Reviewed interims as at 28 February 2019 R'000	Audited as at 31 August 2018 R'000	Audited as at 31 August 2017 R'000	Audited as at 31 August 2016 R'000
Trade and other receivables				
Trade receivables	14 035	22 007	12 514	11 134
Deposits – Municipal	124	124	124	106
Unamortised letting commission	120	166	340	556
Unamortised tenant installation			11	29
Prepayments	532	107	849	118
Other receivables	4 182	3 205	10 944	2 976
	18 993	25 609	24 782	14 919

4. STATED CAPITAL

The shopping centres are not a separate legal entity. No stated capital and statements of changes in equity are therefore presented.

5. BORROWINGS

	Reviewed interims as at 28 February 2019 R'000	Audited as at 31 August 2018 R'000	Audited as at 31 August 2017 R'000	Audited as at 31 August 2016 R'000
Portion of the borrowings allocated to the disposal portfolio				
Total borrowings	1 047 875	1 248 977	1 126 288	956 297
Less: Current portion borrowings	(547 261)	(680 103)	(556 512)	(126 109)
Total borrowings – non-current portion	500 614	568 874	569 776	830 188

The shopping centres form part of a pool of funds. The calculation of the carve-out borrowings is derived based on the property values multiplied by the group's LTV (Interest bearing borrowings divided by investment property including investment property held for sale). All investment properties has been pledged as security for facilities from Nedbank Corporate (a division of Nedbank Limited), Investec Bank Limited, Sanlam and Standard Bank Limited.

6. **TRADE AND OTHER PAYABLES**

	Reviewed interims as at 28 February 2019 R'000	Audited as at 31 August 2018 R'000	Audited as at 31 August 2017 R'000	Audited as at 31 August 2016 R'000
Trade payables	27	1 931		
Other payables	12 377	14 773	12 500	11 037
	12 404	16 704	12 500	11 037

7. **RISK MANAGEMENT**

The directors have overall responsibility for the establishment and oversight of the company's risk management framework. The company's exposure to credit, liquidity and market risk relating to the disposal portfolio is included in the integrated annual reports for the respective years.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE CARVE-OUT HISTORICAL FINANCIAL INFORMATION OF THE DISPOSAL PORTFOLIO

“The Directors
 Rebosis Property Fund Limited
 2nd Floor, Roland Garros Building
 The Campus
 Corner Sloane &, Main Road
 Sandton
 2191

14 June 2019

Dear Sir/ Madam

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE SPECIAL PURPOSE CARVE-OUT HISTORICAL FINANCIAL INFORMATION OF THE PROPERTIES FOR THE SIX MONTHS ENDED 28 FEBRUARY 2019 AND THE THREE YEARS ENDED 31 AUGUST 2018, 31 AUGUST 2017 AND 31 AUGUST 2016

Introduction

At your request, and for the purposes of the circular to be issued on or about 27 June 2019 (“**the Circular**”), we have audited the Historical Financial Information of the Mdantsane City Shopping Centre, Bloed Street Mall and Sunnypark Shopping Centre (“**Properties**”) for the years ended 31 August 2018, 31 August 2017 and 31 August 2016 and reviewed the Historical Financial Information of the Properties for the six months ended 28 February 2019 presented in the report of historical financial information of the carve-out financial information on the Properties (“**Carve-out Historical Financial Information**”) which has been set out in **Annexure 5** to the Circular (collectively “**Special Purpose Carve-out Historical Financial Information**”).

The Special Purpose Carve-Out Historical Financial Information includes the historical Statement of net assets as at 28 February 2019, 31 August 2018, 31 August 2017 and 31 August 2016, and the historical Statement of direct income and expenses for the six months ended 28 February 2019 and the years ended 31 August 2018, 31 August 2017 and 31 August 2016, and notes to the historical statements of direct income and expenses and net asset position of the Properties, including a summary of significant accounting policies which is prepared in accordance with the basis of preparation paragraph set out in the Carve-out Historical Financial Information and the JSE Listings Requirements.

The directors of Rebosis (“**Directors**”) are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information. The Directors are responsible for the compilation, contents and preparation of the Circular which includes the Special Purpose Carve-Out Historical Financial Information for the six months ended 28 February 2019 and the years ended 31 August 2018, 31 August 2017 and 31 August 2016 in accordance with the JSE Listings Requirements.

BDO is the independent auditor to Rebosis.

Part A – Special Purpose Carve-Out Historical Financial Information for the six months ended 28 February 2019

Independent Reporting Accountant's Report on the Special Purpose Carve-Out Historical Financial information

We have reviewed the Special Purpose Carve-Out Historical Financial Information of the Properties, which comprise the historical statement of net assets as at 28 February 2019, the historical statement of direct income and expenses for the six-month period ended 28 February 2019 and the notes to the historical statements of direct income and expenses and net assets, including a summary of significant accounting policies as presented in set out in the Carve-out Historical Financial Information.

Responsibilities of the directors of Rebosis for the Special Purpose Carve-Out Historical Financial Information

The directors are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in the Carve-out Historical Financial Information and the Listings Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such internal control as the directors determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Independent Reporting Accountant's Responsibility for the Special Purpose Carve-Out Historical Financial Information

Our responsibility is to express a conclusion on the Special Purpose Carve-Out Historical Financial Information. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information is not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of the Special Purpose Carve-Out Historical Financial Information in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making enquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluating the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Special Purpose Carve-Out Historical Financial Information.

Conclusion on the Special Purpose Carve-Out Historical Financial Information

Based on our review, nothing has come to our attention that causes us to believe that the Special Purpose Carve-Out Historical Financial Information of the Properties for the six-month period ended 28 February 2019 are not prepared, in all material respects, in accordance with the basis of preparation paragraph included in the Carve-out Historical Financial Information and the Listings Requirements.

Emphasis of Matter – Basis of Preparation

We draw attention to the basis of preparation paragraph to the Special Purpose Carve-Out Historical Financial Information of the Properties, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

Part B – Special Purpose Carve-Out Historical Financial Information for the years ended 31 August 2018, 2017 and 2016

Independent Reporting Accountant's Audit Report on the Special Purpose Carve-out Historical Financial Information Opinion

We have audited the Special Purpose Carve-Out Historical Financial Information of the Properties, which comprise the historical statement of net assets as at 31 August 2018, 2017 and 2016 and the historical statement of direct income and expenses for the years then ended, and notes to the historical statements of direct income and expenses and financial position, including a summary of significant accounting policies, as presented in the Carve-out Historical Financial Information.

In our opinion, the Special Purpose Carve-Out Historical Financial Information of the Properties for the years ended 31 August 2018, 2017 and 2016, are prepared, in all material respects, in accordance with the basis of preparation paragraph included in the Carve-out Historical Financial Information and the JSE Listings Requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Independent Reporting Accountant's Responsibilities for the Special Purpose Carve-Out Historical Financial Information section of our report. We are independent of Reboasis in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – basis of preparation

We draw attention to the basis of preparation paragraph to the Special Purpose Carve-out Historical Financial Information of the Properties included in the Carve-out Historical Financial Information, which describes the basis of preparation, including the approach to and the purpose for preparing the financial information. Our opinion is not modified in respect of this matter.

Responsibilities of the directors of Reboasis for the Special Purpose Carve-Out Historical Financial Information

The Directors are responsible for the preparation of the Special Purpose Carve-Out Historical Financial Information in accordance with the basis of preparation paragraph included in the Carve-out Historical Financial Information and the JSE Listings Requirements, for determining that the basis of preparation is acceptable in the circumstances and for such

internal control as the directors determine is necessary to enable the preparation of the Special Purpose Carve-Out Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Carve-Out Historical Financial Information the directors are responsible for assessing the ability of the Properties to continue as a going concern as if the assets had operated as an independent entity, disclosing, as applicable, matters related to going concern and using the going-concern basis of accounting unless the directors either intend to liquidate the Properties or to cease operations, or have no realistic alternative but to do so.

Independent Reporting Accountant's Responsibilities for the Audit of the Special Purpose Carve-Out Historical Financial Information for the years ended 31 August 2018, 2017 and 2016

Our objectives are to obtain reasonable assurance about whether the Special Purpose Carve-Out Historical Financial Information as a whole is free from material misstatement, whether due to fraud or error, and to issue an independent reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Special Purpose Carve-Out Historical Financial Information for the years ended 31 August 2018, 2017 and 2016.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Carve-Out Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Rebosis' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of Rebosis.
- Conclude on the appropriateness of the directors' use of the going-concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Properties to continue as a going concern as if the assets had operated as an independent entity. If we conclude that a material uncertainty exists, we are required to draw attention in our independent reporting accountant's report to the related disclosures in the Special Purpose Carve-Out Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant's report. However, future events or conditions may cause the Properties to cease to continue as a going concern.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yours faithfully

BDO South Africa Incorporated

Chartered Accountants (SA)

Registered Auditors

per **V Ngobese**

Chartered Accountant (SA)

Registered Auditor

Partner

52 Corlett Drive, Illovo, 2196"

MATERIAL BORROWINGS

MATERIAL BORROWINGS OF THE GROUP POST IMPLEMENTATION OF THE TRANSACTION

Post the implementation of the transaction, the material borrowings profile of the group is anticipated to be as set out below. The table below sets out details of the type of facility, origination, loan amount, interest rate, maturity date, terms and conditions of repayment or renewal and details of security provided for the material loans.

No	Type of facility	Origination	Loan amount (R)	Interest rate	Maturity date	Terms and conditions of repayment or renewal	Details of security provided
1.	DMTN noteholders	General funding of the business	40 000 000	3-month JIBAR + 1.50%	21 Nov 2019	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Unsecured
2.	Term facility (Investec)	Funding the property acquisitions	291 313 988	Prime minus 0.40%	12 Feb 2020	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
3.	Term facility (Investec)	Funding the property acquisitions	368 245 555	Prime minus 0.40%	15 Apr 2023	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
4.	Term facilities (Nedbank)	Funding the property acquisitions	3 622 223 000	10.04% ²	FY ending August 2020	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
5.	Term facilities (Nedbank)	Funding the property acquisitions	2 711 100 000	9.62% ²	FY ending August 2021	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
6.	Term facility (RMB)	Funding the property acquisitions	242 900 000	3-month JIBAR + 2.65%	30 Sept 2019	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
7.	Term facilities (Sanlam)	Funding the property acquisitions	600 000 000	9.74% ²	30 Sept 2019	Interest is serviced quarterly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties
8.	Term facility (Standard Bank)	Funding the property acquisitions	270 587 373	Prime minus 1.25%	31 Aug 2019	Interest is serviced monthly and loan is repayable on final repayment date (the last day of the facility term)	Secured by mortgage bonds over investment properties

Notes:

1. Debts that are repayable within the next 12 months will be settled either through the proceeds of the disposal of assets in accordance with the asset disposal programme, or will be refinanced in the ordinary course of business.
2. This is the weighted average cost of the interest under the respective facilities.
3. None of the material borrowings set out above have any conversion or redemption rights attaching to them.

MATERIAL CONTRACTS

Set out below are the salient terms of all material contracts concluded in respect of the disposal portfolio, being:

- contracts entered into otherwise than in the ordinary course of business, either within the two years prior to the date of the circular or at any other time and containing an obligation or settlement that is or may be material to the disposal portfolio at the last practicable date; and
- contracts that are otherwise considered material to the disposal portfolio.

Reference to an “agreement” shall be reference to the specific agreement in respect of which the terms are detailed, as the context may require.

1. SALIENT TERMS OF THE BLOED STREET MALL NOTARIAL LEASES

- 1.1 In August 2011, Rebois acquired as a going concern Bloed Street Mall from Bloed Street Mall (Proprietary) Limited (“**the vendor**”) including the cession to Rebois of the notarial lease between the vendor (as lessee) and the City of Tshwane Municipality (as lessor) over the properties on which the Bloed Street Mall is located in terms of the agreement dated 5 October 2010, as more fully detailed in the Rebois pre-listing statement issued on 3 May 2011.
- 1.2 The lease agreement is for a 30-year period. Rental payable is R1 annually in advance and the lessor is the City of Tshwane. The lease agreement provided Rebois with (registered) leasehold title in respect of the Bloed Street Mall.

2. SALIENT TERMS OF THE BUFFALO CITY LOCAL MUNICIPALITY PRE-EMPTIVE RIGHT

In terms of the title deed T2271/2011, Buffalo City Local Municipality (“**the Municipality**”) has a pre-emptive right in terms of condition 5(d) in the title deed in respect of Mdantsane City (which condition provides that Rebois may not sell the property unless it has first offered it to the Municipality at the original price that Rebois acquired Mdantsane City).

REBOSIS

PROPERTY FUND

Rebosis Property Fund Limited

(Incorporated in the Republic of South Africa)

(Registration number 2010/003468/06)

JSE share code: REA ISIN code: ZAE000240552

JSE share code: REB ISIN code: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Where appropriate and applicable, the terms defined in the circular to which this notice of general meeting is attached bear the same meanings in this notice of general meeting and, in particular, in the resolutions set out below.

Notice is hereby given that a general meeting of Rebosis shareholders will be held at 10:00 on Thursday, 25 July 2019 at the company's registered office (2nd Floor, Roland Garros Building, The Campus, Cnr Main & Sloane Street, Bryanston, 2191), for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Shareholders are referred to the circular, which sets out the information and explanatory material that they may require in order to determine whether to participate in the general meeting and vote on the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend, participate in and vote at the general meeting in the place of the shareholder;
- a proxy need not be a shareholder of the company; and
- shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the general meeting. In this regard, all shareholders recorded in the register on the voting record date will be required to provide identification satisfactory to the chairperson of the general meeting. Forms of identification include valid identity documents, drivers' licenses and passports.

The resolutions set out in this notice of general meeting are all inter-conditional and are further each subject to the fulfilment or, if applicable, waiver of the conditions precedent to the transaction, as contained in the agreement and as summarised in paragraph 3.5 of the circular, save for any such condition precedent relating to the passing of such resolution.

Salient dates and times

	2019
Last day to trade in order to be eligible to participate in and vote at the general meeting	Tuesday, 16 July
Record date in order to vote at the general meeting	Friday, 19 July
Last day to lodge forms of proxy for the general meeting with the transfer secretaries, by 10:00 (forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement thereof)	Tuesday, 23 July
General meeting held at 10:00	Thursday, 25 July
Results of the general meeting released on SENS	Thursday, 25 July
Results of the general meeting published in the press	Friday, 26 July

Notes:

1. All dates and times in this notice of general meeting are local dates and times in South Africa and are subject to change. Any changes will be announced on SENS.
2. Rebosis shareholders are referred to page 6 of the circular to which this notice of general meeting is attached for information on the action required to be taken by them.

ORDINARY RESOLUTION 1: APPROVAL OF THE TRANSACTION

“Resolved in terms of paragraph 9.20 of the JSE Listings Requirements that Rebosis be and is hereby authorised to dispose, as an indivisible transaction and subject to the fulfilment of various conditions precedent, the rental enterprises comprising three shopping centres known as Mdantsane City Shopping Centre, Bloed Street Mall and Sunnypark Shopping Centre to Vukile Property Fund Limited (“**Vukile**”), pursuant to the implementation of the agreement concluded between Rebosis and Vukile on 12 May 2019.”

In order for ordinary resolution 1 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on ordinary resolution 1.

ORDINARY RESOLUTION 2: AUTHORITY TO GIVE EFFECT TO RESOLUTIONS

“Resolved that any director or the company secretary of Rebosis be and is hereby authorised to do all such things and sign all such documents required to give effect to the resolutions passed at the general meeting.”

In order for ordinary resolution 2 to be adopted, the support of more than 50% of the voting rights exercised on the resolution by shareholders, present in person or by proxy at the general meeting, is required. Only shareholders reflected on the register as such on the voting record date are entitled to vote on ordinary resolution 2.

VOTING AND QUORUM

The quorum requirement for the general meeting to begin or for a matter to be considered at the general meeting is at least three shareholders present in person. In addition:

- the general meeting may not begin until sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present in person or represented by proxy to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

Every shareholder present in person or represented by proxy and entitled to exercise voting rights at the general meeting shall be entitled to vote on a show of hands, irrespective of the number of voting rights that shareholder would otherwise be entitled to exercise. On a poll, any person who is present at the general meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the shares held by that shareholder.

GENERAL INSTRUCTIONS

Shareholders who are entitled to attend, speak and vote at the general meeting are encouraged to do so.

ELECTRONIC PARTICIPATION

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call, you, or your proxy, should advise the company as such by no later than 10:00 on Tuesday, 23 July 2019, by submitting by e-mail to the company secretary at mande@mnaattorneys.co.za relevant contact details, including an e-mail address, cellular number and landline as well as full details of your title to Rebosis shares and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) or written confirmation from your CSDP confirming your title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, you will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders should note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium. Accordingly, shareholders making use of the electronic participation facility are requested to submit their forms of proxy to the company, as directed.

PROXIES AND AUTHORITY FOR REPRESENTATIVES TO ACT

The attached form of proxy is only to be completed by:

- certificated shareholders; or
- own-name dematerialised shareholders,

who cannot attend the general meeting but wish to be represented thereat.

All other beneficial owners who have dematerialised their shares through a CSDP or broker, without own-name registration, and who wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

Forms of proxy are requested to be delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to PO Box 61051, Marshalltown, 2107, or faxed to +27 11 688 5238, or emailed to proxy@computershare.co.za, so as to arrive no later than 10:00 on Tuesday, 23 July 2019. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement thereof. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf, is passed by its directors.

Rebosis does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised Rebosis shareholder to notify such shareholder of the general meeting of or any business to be conducted thereat.

GENERAL NOTES

1. Shareholders who are companies or other bodies corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
2. The chairperson of the general meeting will be making a demand that all resolutions put to the vote shall be decided by way of a poll.

By order of the board

Rebosis Property Fund Limited

27 June 2019

Registered office

2nd Floor, Roland Garros Building, The Campus

Cnr Main & Sloane Street

Bryanston, 2191

(Private Bag x21, Bryanston, 2021)

REBOSIS

PROPERTY FUND

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(Incorporated in the Republic of South Africa)

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JSE share code: REA ISIN code: ZAE000240552

JSE share code: REB ISIN code: ZAE000201687

(Approved as a REIT by the JSE)

("Rebosis" or "the company")

FORM OF PROXY

Where appropriate and applicable, the terms defined in the circular to which this form of proxy is attached bear the same meanings in this form of proxy.

THIS FORM OF PROXY IS ONLY FOR USE BY:

- certificated shareholders; and
- own-name dematerialised shareholders.

For completion by the aforesaid registered shareholders who are unable to attend the general meeting to be held at 10:00 on Thursday, 25 July 2019 at the company's registered office (2nd Floor, Roland Garros Building, The Campus, Cnr Main and Sloane Street, Bryanston, 2191).

If you are a dematerialised shareholder, other than with own-name registration, do not use this form. Dematerialised shareholders, other than with own-name registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

Email address

Telephone number

Cellphone number

of (address)

being the holder(s) of

Rebosis A shares hereby appoint:

being the holder(s) of

Rebosis ordinary shares hereby appoint:

1.

or failing him/her

2.

of failing him/her

3. the chairperson of the general meeting

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting of shareholders and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the shares registered in my/our name(s):

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

	Number of votes		
	In favour of	Against	Abstain
Ordinary resolution 1: Approval of the transaction			
Ordinary resolution 2: Authority to give effect to resolutions			

One vote per share held by shareholders, recorded in the registers on the voting record date.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2019

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a Rebosis shareholder. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

Forms of proxy are requested to be delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to PO Box 61051, Marshalltown, 2107, or faxed to +27 11 688 5238, or emailed to proxy@computershare.co.za, so as to arrive no later than 10:00 on Tuesday, 23 July 2019. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

Please read notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY:

1. Only shareholders who are registered in the registers of Rebois under their own name on the voting record date may complete a form of proxy or attend the general meeting. This includes certificated shareholders or own-name dematerialised shareholders. A proxy need not be a Rebois shareholder.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their own-name, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected own-name registration in the registers of Rebois through a CSDP and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary letter of representation to attend.
5. Dematerialised shareholders who have not elected own-name registration in the register of Rebois through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder's choice in the space, with or without deleting "the chairperson of the general meeting of shareholders". The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by:
 - 7.1. cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - 7.2. delivering a copy of the revocation instrument to the proxy, and to Rebois.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date:
 - 8.1. stated in the revocation instrument, if any; or
 - 8.2. upon which the revocation instrument is delivered to the proxy and Rebois as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the transfer secretaries, as long as that appointment remains in effect, any notice that is required by the Companies Act or the MOI to be delivered by the company to the shareholder must be delivered to:
 - 9.1. the shareholder; or
 - 9.2. the proxy or proxies if the shareholder has in writing directed Rebois to do so and has paid any reasonable fee charged by Rebois for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the existing MOI or the instrument appointing the proxy provide otherwise.
11. If Rebois issues an invitation to shareholders to appoint one or more persons named by Rebois as a proxy, or supplies a form of instrument appointing a proxy:
 - 11.1. such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2. Rebois must not require that the proxy appointment be made irrevocable; and
 - 11.3. the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialled.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries or waived by the chairperson of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in Rebois that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders wishes to be present or represented at the general meeting, that one of the said persons whose name appears first in the register of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
17. The chairperson of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
18. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
19. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all of the votes exercisable by the shareholder or the proxy, but the total of votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
20. Forms of proxy are requested to be delivered to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or posted to PO Box 61051, Marshalltown, 2107, or faxed to +27 11 688 5238, or emailed to proxy@computershare.co.za, so as to arrive no later than 10:00 on Tuesday, 23 July 2019. Forms of proxy not lodged with the transfer secretaries in time may be handed to the chairperson of the general meeting immediately before the commencement of the general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.
21. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
22. The foregoing notes include a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.