

TOWER PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2012/066457/06)
JSE share code: TWR ISIN: ZAE000179040
(Approved as a REIT by the JSE)
("Tower" or the "company")



DISPOSAL OF SHOPRITE ENNERDALE

INTRODUCTION AND RATIONALE

Shareholders are advised that Lexshelf 492 Investments Proprietary Limited, a wholly owned subsidiary of Tower has concluded an agreement for the disposal of the property letting enterprise in respect of the property known as Shoprite Ennerdale (the "**property**") to Benav Properties Proprietary Limited (the "**purchaser**") for a purchase consideration of R77 000 000 (exclusive of VAT at zero percent) (the "**disposal**").

The property is no longer core to Tower's strategy and the disposal will enable Tower to focus on its larger core buildings with more sustainable growth. The disposal forms part of Tower's stated strategy to dispose of non-core assets, in the ordinary course. The proceeds of the disposal will be used to reduce the existing debt of Tower.

TERMS OF THE DISPOSAL AND CONDITIONS PRECEDENT

The purchaser will acquire the property letting enterprise, which includes the property, with effect from the date of registration of transfer of the property into the purchaser's name (the "**transfer date**"). The sale consideration for the property letting enterprise will be payable in cash on the transfer date.

The agreement in respect of the disposal contains warranties, undertakings and indemnities which are normal for a disposal of this nature.

PROPERTY SPECIFIC INFORMATION

Property name	Shoprite Ennerdale
Location	Ennerdale, Gauteng
Sector	Retail
Total GLA (m²)	8 240 m ²
Weighted average rental per m² per month (R)	R99.45
Disposal consideration (R)	R77 000 000
Value attributed to the property (R) (as at 31 May 2020)	R76 000 000

The net operating income of the property for the financial year ended 31 May 2020 (extracted from the audited consolidated annual financial statements of Tower for the year ended 31 May 2020 prepared in terms of IFRS) was R9 203 029. The selling yield was 9% based on net income which excluded the over recovery of electricity.

The total consideration payable is considered to be in line with fair market value, as determined by the directors of the company. The directors of the company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.

CATEGORISATION OF THE DISPOSAL

The disposal is classified as a category 2 transaction in terms of the JSE Listings Requirements and as such is not subject to shareholder approval.

11 December 2020

Sponsor

JAVACAPITAL