
TEXTON PROPERTY FUND LIMITED
Granted REIT status by the JSE
Incorporated in the Republic of South Africa
(Registration number 2005/019302/06)
Share code: TEX ISIN: ZAE000190542
("Texton" or "the Company")

CAUTIONARY ANNOUNCEMENT

Texton Shareholders are advised that the Company has received communication from the Public Investment Corporation SOC Limited ("PIC") (as representative of the Government Employees Pension Fund ("GEPF")) relating to the funding granted by GEPF to Texton Broad-Based Empowerment (RF) Proprietary Limited ("BEE SPV") and the Put Option which was granted by Texton to GEPF as security for the obligations of BEE SPV under the loan agreement between GEPF and BEE SPV.

PIC has notified Texton that there is a default event by BEE SPV under the loan agreement and PIC has called upon BEE SPV to remedy such default event. The PIC has indicated that it intends exercising its rights under the Put Option Agreement as explained below.

For shareholders' information, in terms of the Put Option Agreement:

1. If BEE SPV fails to remedy the default event within the prescribed time period, then GEPF, with Texton's approval (which approval shall not be unreasonably withheld or delayed), is entitled to exercise its rights under the cession and pledge agreement between BEE SPV and GEPF and to sell the Texton shares pledged to it by BEE SPV.
2. If the default event remains unremedied, then GEPF is entitled to exercise the Put Option in terms of which Texton will be required to repurchase the Texton shares from GEPF.
3. Any such repurchase is subject to compliance with the Companies Act, No. 71 of 2008 ("Companies Act") and the JSE Listings Requirements, which includes, but is not limited to, Texton shareholder approval by special resolution and confirmation by the Board of Directors of Texton ("the Board") that the Company will satisfy the solvency and liquidity test in terms of the Companies Act.

This matter is currently being assessed by the Board and its advisors and a further announcement will be made in due course.

This matter may have a material effect on the price of the Company's securities. Accordingly, shareholders are advised to exercise caution when dealing in the Company's securities.

Johannesburg
23 August 2018

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