

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

RIGHTS OFFER DECLARATION ANNOUNCEMENT

1. Introduction

Texton shareholders (“**Shareholders**”) are advised that Texton intends to undertake a partially underwritten rights offer to raise R986 million through the issue of 100 000 000 new Texton shares (“**Rights Offer Shares**”) in the ratio of 36.22312 for every 100 Texton shares held on the rights offer record date, being Friday, 18 September 2015 (“**Rights Offer Record Date**”), at an issue price of R9.86 per Rights Offer Share (the “**Rights Offer**”).

The issue price of the Rights Offer represents a 5% discount to the 3 day volume weighted average price of Texton shares listed on the JSE as at the close of business on Tuesday, 1 September 2015.

The Rights Offer Shares will rank *pari passu* in every respect with the presently issued ordinary shares in Texton and therefore the issue price of R9.86 per Rights Offer Share includes entitlement to receive the dividend declared for the second six months ended 30 June 2015 of 50.09 cents per share.

2. Use of Rights Offer proceeds

Texton has successfully completed the acquisition of over R2 billion of portfolio enhancing property acquisitions in the last 6 (six) months. The acquisition of these properties was significantly funded by debt (including bridge funding) which affects Texton’s ability to pursue investment opportunities in line with its growth strategy. Accordingly the proceeds of the Rights Offer will be used by Texton to:

- Improve Texton’s overall gearing capacity through the reduction of Texton’s acquisition debt and other debt facilities, which puts Texton in a position to utilise such undrawn facilities for future acquisition opportunities that meet the Company’s stated investment criteria;
- Establish an optimal gearing and capital structure by repaying certain short-dated fixed profile debt, which based on current pricing will attract negligible breakage costs; and
- Bring Texton’s Loan-to-Value in line with the Company’s target range and acceptable market norm.

3. Terms of the Rights Offer

3.1. Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 21 September 2015 and close at 12:00 on Friday, 2 October 2015. Letters of allocation will be listed and commence trading at the commencement of business on Monday, 14 September 2015.

3.2. Committed participants

Texton has concluded agreements with certain Shareholders (“**Committed Participants**”) in terms of which the Committed Participants have elected to irrevocably subscribe for approximately 36 239 574

Rights Offers Shares pursuant to the Rights Offer, representing approximately 36.2% of the aggregate Rights Offer proceeds.

The Committed Participants are entitled to receive a commitment fee of 1.5% of the aggregate value of the Rights Offer Shares which they have elected to irrevocably subscribe for.

3.3. Underwriting

In addition to the commitments from Committed Participants for approximately 36.2% of the aggregate Rights Offer proceeds, Texton has concluded an agreement with Luna Group Proprietary Limited ("**Underwriter**"), an investment and trading group that has over 39 years of investment experience and forms part of Dr. Christo Wiese's larger group of companies, in terms of which the Underwriter has irrevocably undertaken to subscribe for up to 41 940 878 of the Rights Offer Shares which are not taken up by Texton Shareholders recorded in the register of Shareholders on the Rights Offer Record Date ("**Excess Rights Offer Shares**").

In terms of the agreement entered into between Texton and the Underwriter, the Underwriter is entitled to an underwriting fee of 3.0% of the aggregate underwriting commitments. The underwriting fee is payable to the Underwriter by Texton upon the Underwriter fulfilling its underwriting commitments.

3.4. Conditions precedents

The final implementation of the Rights Offer is subject to the following conditions precedent:

- The JSE granting their approval of the circular containing full details of the terms of the Rights Offer and a form of instruction ("**Rights Offer Circular**"); and
- The JSE granting a listing of the letters of allocation on the JSE in respect of the Rights Offer.

3.5. Excess applications

Texton Shareholders recorded in the register of Shareholders on the Rights Offer Record Date will be permitted to apply for any Excess Rights Offer Shares not taken up by other Texton Shareholders in terms of their rights in the Rights Offer. Excess Rights Offer Shares available for allocation will be allocated first to the Underwriter and thereafter to any other Shareholders who have made an application for Excess Rights Offer Shares in an equitable manner as determined by the directors of Texton in accordance with the provisions of paragraph 5.33 of the Listings Requirements of the JSE.

3.6. Minimum subscription

The Rights Offer is not conditional upon any minimum subscription.

3.7. Foreign shareholders

The Rights Offer may be affected by the laws of the relevant jurisdictions of foreign Texton Shareholders. The Rights Offer Circular will not be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. It is the responsibility of any foreign Texton Shareholders to satisfy themselves as to the full observation of the laws and regulatory requirements of the relevant jurisdiction in connection with the Rights Offer, including the obtaining of any governmental, exchange control or other consent or the making of any filings which may be required, the compliance with other necessary formalities, the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdiction.

4. Finalisation announcement

It is anticipated that a finalisation announcement in respect of the Rights Offer will be released on SENS on Tuesday, 8 September 2015.

5. Posting of the Rights Offer Circular

Posting of the Rights Offer Circular to certificated Texton Shareholders is expected to be on Tuesday, 15 September 2015.

It is anticipated that the Rights Offer Circular will be posted to dematerialised Texton Shareholders on Tuesday, 22 September 2015.

6. Salient dates and times

The proposed salient dates and times in respect of the Rights Offer are set out below:

2015

Declaration date relating to the announcement of the Rights Offer	Wednesday, 2 September
Finalisation date relating to the announcement of the Rights Offer	Tuesday, 8 September
Last day to trade in Texton shares in order to participate in the Rights Offer	Friday, 11 September
Listing and trading of letters of allocation on the JSE under JSE code: "TEXN" and ISIN: ZAE000208302	Monday, 14 September
Texton shares commence trading on the JSE ex-Rights Offer entitlement	Monday, 14 September
Dematerialised Shareholders will have their accounts at their CSDP or broker automatically credited with the letters of allocation	Monday, 14 September
Certificated Shareholders on the register will have their letters of allocation credited to their accounts held with the transfer secretary	Monday, 14 September
Rights Offer Circular and form of instruction posted to certificated shareholders	Tuesday, 15 September
Record date for determination of Shareholders entitled to participate in the Rights Offer	Friday, 18 September
Rights Offer opens at 09:00	Monday, 21 September
Rights Offer Circular posted to dematerialised Shareholders	Tuesday, 22 September
Last day to trade letters of allocation on the JSE	Friday, 25 September
Maximum number of Rights Offer Shares listed and trading therein commences on the JSE	Monday, 28 September
Rights Offer closes at 12:00	Friday, 2 October
Record date for letters of allocation	Friday, 2 October
New Texton shares issued	Monday, 5 October
Dematerialised Shareholders' accounts updated and debited by CSDP or broker (in respect of Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Certificates posted to certificated Shareholders (in respect of the Rights Offer Shares taken up in the Rights Offer)	Monday, 5 October
Results of Rights Offer announced on SENS	Monday, 5 October
Refunds (if any) to certificated Shareholders in respect of unsuccessful applications made for Excess Rights Offer Shares	Wednesday, 7 October
Certificated Shareholders' accounts updated and debited by their CSDP or broker (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Dematerialised Shareholders' accounts updated and debited by their CSDP or broker (in respect of successful applications for Excess Rights Offer Shares)	Wednesday, 7 October
Last day to trade in order to participate in the Texton cash dividend	Friday, 9 October
Texton shares trade ex dividend	Monday, 12 October
Dividend record date	Friday, 16 October

Dividend payment date

Monday, 19 October

Notes:

1. All references to dates and times are to local dates and times in South Africa. The above dates are subject to change. If any of the above dates change, the revised dates will be notified to Shareholders by announcement on SENS.
2. Dematerialised Texton Shareholders are required to inform their CSDP or broker of their instructions in terms of the Rights Offer in the manner and time stipulated in the agreement governing the relationship between the Shareholder and its CSDP or broker.
3. Share certificates may not be dematerialised or rematerialised between Monday, 14 September 2015 and Friday, 18 September 2015, both days inclusive and between Monday, 12 October and Friday, 16 October 2015, both days inclusive.
4. Dematerialised Texton Shareholders will have their accounts at their CSDP or broker automatically credited with their rights and certificated Texton Shareholders will have their rights credited to their accounts at Computershare Investor Services Proprietary Limited.

Dunkeld West
2 September 2015

Investment Bank and Sponsor

Investec Bank Limited

Legal Advisor

Glyn Marias Incorporated