

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this Circular apply throughout this Circular, including this front cover.

ACTION REQUIRED

This Circular is important and should be read in its entirety, with particular attention to the section entitled “Action required by Shareholders” on page 2.

If you are in any doubt as to what action you should take, please consult your broker, banker, attorney, CSDP or other professional advisor immediately.

If you have disposed of all of your Texton Shares, this Circular should be handed to the purchaser of such Texton Shares or to the broker, CSDP, banker or other agent through whom the disposal was affected.

Texton does not accept responsibility, and will not be held liable, for any action of, or omission by, any CSDP or broker including, without limitation, any failure on the part of the CSDP or broker of any beneficial owner of Texton Shares to notify such beneficial owner of the details set out in this Circular.

TEXTON

PROPERTY FUND

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)

JSE share code: TEX
ISIN: ZAE000190542

CIRCULAR TO TEXTON SHAREHOLDERS

regarding, among other things:

- a specific share repurchase by the Company from the PIC of the Repurchase Shares, being 72 129 048 Texton Shares (representing approximately 19,8% of the total issued Texton Shares) at a price of R2,15 per Repurchase Share to be implemented in accordance with sections 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act and as a specific repurchase of securities from a related party in terms of the JSE Listings Requirements; and
- the delisting of the Repurchase Shares from the JSE,

and incorporating:

- the Independent Expert’s Report in respect of the Repurchase;
- a notice convening the electronic General Meeting;
- a Form of Proxy (*blue*) for use by Certificated Shareholders or Dematerialised Shareholders with “own name” registration only;
- an Electronic Participation Form (*grey*); and
- extracts of section 115 of the Companies Act dealing with the approval requirements for fundamental transactions and section 164 of the Companies Act dealing with Dissenting Shareholders’ Appraisal Rights.

Transaction Sponsor
and Corporate advisor



Legal
advisor



Independent
Expert



Reporting
Accountants



Date of issue: Wednesday, 31 May 2023

Copies of this Circular, in English only, may be obtained from the Company’s website at <https://texton.co.za> at the Company’s registered office or at the offices of the Transfer Secretaries, during normal business hours on Business Days from Wednesday, 31 May 2023 until Friday, 30 June 2023. The respective addresses of the Company’s registered office and the Transfer Secretaries are set out in the “Corporate information” section on the inside front cover.

CORPORATE INFORMATION

Directors and prescribed officers

MJA Golding (Non-executive chairman)
HSP Welleman (Chief executive officer)
AJ Hannington (Independent non-executive)
JR Macey (Lead independent non-executive)
S Thomas (Independent non-executive)
RA Franco (Non-executive)
WC van der Vent (Independent non-executive)

Transaction Sponsor and Corporate advisor

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandton, Johannesburg, 2196
(PO Box 785700, Sandton, 2196, South Africa)

Reporting Accountants

BDO South Africa Incorporated
(Registration Number: 1995/002310/21)
6th Floor, 119 – 123 Hertzog Boulevard
Foreshore, Cape Town, 8001
(PO Box 2275, Cape Town, 8000)

Company Secretary

Corpstat Governance Services Proprietary Limited
Bryanston Gate
Block 4, First Floor
Homestead Avenue
Bryanston, 2191

Registered office of the Company

Block D, Vunani Office Park
151 Katherine Street
Sandton, 2031
PO Box 653129, Benmore

Date of incorporation: 6 June 2005
Place of incorporation: South Africa

Legal advisor

Solaris Law Proprietary Limited
(Registration number 2019/334232/07)
3rd Floor, The Hudson
30 Hudson Street
De Waterkant
Cape Town, 8001

Independent Expert

Valeo Capital Proprietary Limited
(Registration number 2021/834806/07)
Unit 12 Paardevlei Specialist Centre
Paardevlei
Somerset West 7130
(PO Box X29, Somerset West, 7129)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Johannesburg, 2196
(Private Bag X9000, Saxonwold, 2132)

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ACTION REQUIRED BY SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this Circular shall apply *mutatis mutandis* to this section regarding the action required by Texton Shareholders.

Please take careful note of the following provisions regarding the actions required by Texton Shareholders. If you are in any doubt as to the action you should take, please consult your CSDP, broker, attorney, banker or professional advisor immediately.

The Repurchase is subject to Shareholders (excluding Excluded Shareholders) passing the Repurchase Resolution at the General Meeting of Shareholders to be held electronically on Friday, 30 June 2023 at 16:00. A notice convening the General Meeting is attached to and forms part of this Circular.

Shareholders wishing to participate electronically in the General Meeting are required to deliver the completed Electronic Participation Form attached to this Circular to the Company at Block D, Vunani Office Park, 151 Katherine Street, Sandton (marked for the attention of the chief financial officer), by no later than 16:00 on Thursday, 29 June 2023, or via email at w.somerville@mweb.co.za that they wish to participate via electronic communication at the General Meeting.

The Company shall use its reasonable endeavours to notify a Shareholder at its contact address/number who has delivered a valid Electronic Participation Form of the relevant details through which the shareholder can participate via electronic participation.

Certificated Shareholders, and Dematerialised Shareholders who have elected “own-name” registration in the sub-register maintained by a CSDP, 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 Company requests that duly completed forms of proxy be received by the Transfer Secretaries by no later than 16:00 on Wednesday, 28 June 2023.

Dematerialised Shareholders who have not elected “own-name” registration in the sub-register maintained by a CSDP, must provide their CSDP or broker with their instruction for attendance or voting at the General Meeting in the manner stipulated in the custody agreement governing the relationship between such Shareholders and their 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. Should they wish to attend the General Meeting, they must request a letter of representation from their CSDP or broker.

If you hold your Texton Shares (whether certificated or dematerialised) through a nominee, you should timeously make the necessary arrangements with your nominee or, if applicable, your CSDP or broker who will provide them with the necessary letter of representation to vote in terms of the agreement entered into between the shareholder and the CSDP or broker, in the manner and time periods stipulated therein.

Texton 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.

FOREIGN SHAREHOLDERS

This Circular has been prepared for the purposes of complying with the Companies Act and the JSE Listings Requirements and is, accordingly, published in terms thereof. The information disclosed in this Circular may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

To the extent that the release, publication or distribution of this Circular in certain jurisdictions outside of South Africa may be restricted or prohibited by the laws of such jurisdiction, then this Circular is deemed to have been provided for information purposes only and the Board accepts no responsibility for any failure by foreign Texton Shareholders to inform themselves about, and to observe, any applicable legal requirements in any such relevant foreign jurisdiction. Foreign Texton Shareholders who are in doubt as to their position should consult their professional advisors immediately.

DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

At any time before the Repurchase Resolution is to be voted on at the General Meeting, a Shareholder may give the Company written notice objecting to the Repurchase Resolution. In order for a Shareholder to exercise their Appraisal Rights, the Shareholder must have given notice to the Company before the vote.

Within 10 Business Days after the Company having adopted the Repurchase Resolution, the Company must send a notice that the Repurchase Resolution has been adopted to each Shareholder who gave the Company written notice of objection and has neither withdrawn that notice nor voted in favour of the Repurchase Resolution.

A Shareholder who has given the Company written notice objecting to the Repurchase Resolution, who is present at the General Meeting and votes against the Repurchase Resolution and has complied with all of the procedural regulations set out in section 164 of the Companies Act may, if the Repurchase Resolution has been adopted, then demand in writing within:

- 20 Business Days after receipt of the notice referred to above; or
- if the Shareholder does not receive the notice from the Company referred to above, 20 Business Days after learning that the Repurchase Resolution has been adopted,

that the Company pay the Shareholder the fair value for all the Texton Shares held by that Shareholder. A more detailed explanation of the Dissenting Shareholders' Appraisal Rights is contained in Annexure 4 to this Circular.

Shareholders are advised that if Texton receives written notice from any Texton Shareholder objecting to the Repurchase Resolution, the Company will also propose the Revocation Resolution to Texton Shareholders, as set out in the notice of General Meeting. In terms of the Revocation Resolution, in the event of the Repurchase Resolution being approved by Texton Shareholders, the Repurchase not becoming unconditional for whatever reason, Texton making an announcement in writing to Texton Shareholders to the effect that the Repurchase shall not be continued or pursued any further, made unconditional or revived, and any Dissenting Shareholders having exercised their Appraisal Rights, the Repurchase Resolution will be revoked with effect from the date of the date of the aforesaid announcement. Dissenting Shareholders who have exercised Appraisal Rights shall have no rights to be paid the fair value of their Texton Shares in that the Repurchase did not and shall not become effective.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 5 of this Circular have been used in the following table of important dates and times.

2023

Record date for determining which Shareholders are entitled to receive this Circular and notice of General Meeting	Friday, 26 May
Circular posted to Texton Shareholders and notice convening the General Meeting released on SENS on	Wednesday, 31 May
Last day to trade in Texton Shares in order to be recorded in the Register on the Voting Record Date on ³	Tuesday, 20 June
Voting Record Date to be entitled to attend, participate in and vote at the General Meeting being 16:00 on	Friday, 23 June
Last day for receipt of proxies for the General Meeting by 16:00 on ⁴	Wednesday, 28 June
Last date and time for Texton Shareholders to give notice in terms of section 164 of the Companies Act objecting to the Special Resolution approving the Repurchase by 16:00 on	Friday, 30 June
Texton Shareholders' General Meeting to be held at 16:00 on	Friday, 30 June
Results of the General Meeting released on SENS on	Friday, 30 June
Results of the General Meeting published in the press on	Monday, 3 July
If the Repurchase is approved by Shareholders at the General Meeting:	
Last date on which Shareholders who voted against the Special Resolution may require Texton to seek court approval in terms of section 115(3)(a) of the Companies Act, but only if the Special Resolution was opposed by at least 15% of the voting rights exercised thereon	Friday, 7 July
Last date on which Shareholders who voted against the Special Resolution may make application to the court in terms of section 115(3)(b) of the Companies Act for leave to apply for a review of the Repurchase, as the case may be	Friday, 14 July
Last date for Texton to send objecting Shareholders notice of the adoption of the Special Resolution, in terms of section 164(4) of the Companies Act	Friday, 14 July
Last date on which Shareholders who validly exercised their Appraisal Rights in terms of section 164 of the Companies Act to deliver written demand to Texton to pay fair value for their Shares (for purposes of clarity, this demand must be delivered to Texton within 20 Business Days of receipt of the notice of adoption referred to immediately above, or if any Shareholder did not receive such notice, within 20 Business Days of them learning that the Special Resolution had been adopted) on	Friday, 28 July
If no Shareholder exercises their rights in terms of section 115(3)(a) and (b) of the Companies Act, then the following are the anticipated relevant dates and times:	
Compliance certificate anticipated to be received from the TRP on	Monday, 17 July
Finalisation announcement released on SENS on	Monday, 17 July
Finalisation announcement published in the press on	Tuesday, 18 July
Expected implementation date of the Repurchase on or about	Tuesday, 18 July
Delisting application letter lodged with the JSE for the delisting of the Repurchase Shares	Tuesday, 18 July
Expected termination of listing of Repurchase Shares at the commencement of trading on or about	Thursday, 20 July

Notes:

1. All dates and times are local South African times and are subject to change. Any change will be released on SENS and published in the press. Changes may be subject to approval by the JSE and/or TRP.
2. Shareholders are referred to **Annexure 6** of this Circular (which contains a summary of the Dissenting Shareholders' Appraisal Rights) regarding rights afforded to Texton Shareholders.
3. Texton Shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Texton Shares after the voting last day to trade will not be eligible to vote at the General Meeting.
4. If a form of proxy is not received by the time and date shown above or not less than 48 hours before recommencement of any adjourned or postponed meeting, it may be handed to the Chairman of the General Meeting not later than ten minutes before the General Meeting is due to commence or recommence.

DEFINITIONS AND INTERPRETATIONS

Throughout this Circular and the annexures hereto, unless otherwise stated, the words in the first column have the meanings assigned to them in the second column, words in the singular include the plural and *vice versa*, words importing natural persons include corporations and associations of persons and *vice versa* and any reference to a gender includes the other genders.

“Appraisal Rights”	the rights afforded to Texton Shareholders in terms section 164 of the Companies Act, as set out in Annexure 6 of this Circular;
“BDO” or “Reporting Accountants”	BDO South Africa Inc (Registration Number: 1995/002310/21), a company duly registered and incorporated in accordance with the Laws of South Africa;
“Board” or “Directors”	the board of directors of the Company whose names appear on the Corporate Information page of this Circular;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“Certificated Shareholders”	Texton Shareholders who have not dematerialised their Texton Shares, title to which is represented by a share certificate or other physical document of title;
“Circular”	this circular to Texton Shareholders, dated Wednesday, 31 May 2023, including the annexures thereto, prepared in terms of sections 48(8), 114(1)(e), and 115(2)(a) of the Companies Act and in terms of section 5.69 of the JSE Listings Requirements;
“Companies Act”	the Companies Act, 2008 (Act 71 of 2008), as amended together with the Companies Regulations 2011, promulgated in terms of the Companies Act;
“Consortium”	a consortium comprising of Geomer Investments (Pty) Ltd (ultimately owned by MJA Golding and Geomer Trust (Master’s reference number IT4895/96)), Oak Tech Trading (Pty) Ltd (owned by Geomer Investments (Pty) Ltd and Kloof Capital South Africa (Pty) Ltd), Rex Trueform Group Ltd (a public company), Oak Tech Properties (Pty) Ltd (owned by Kloof Capital South Africa (Pty) Ltd), Kloof Capital South Africa (Pty) Ltd (in which RA Franco has an indirect beneficial interest), KCSA Investments (Pty) Ltd (owned by Kloof Capital South Africa (Pty) Ltd), Wheatfield Estate Foundation Trust, and Bronwyn Elaine Keene-Young;
“CSDP”	Central Securities Depository Participant, appointed by a Shareholder for purposes of, and in regard to dematerialisation and to hold and administer securities on behalf of a Shareholder;
“Dematerialisation”	the process by which certificated shares are converted to an electronic form as uncertificated shares and recorded in the sub-register of Shareholders maintained by a CSDP or broker;
“Dematerialised Shareholders”	Texton Shareholders who have dematerialised their Texton Shares in terms of Strate;
“Dissenting Shareholder”	the Texton Shareholders who validly exercise their Appraisal Rights by, among other things, objecting to the Repurchase Resolution and by demanding, in terms of sections 164(5) and 164(8) of the Companies Act, that Texton pay to them the fair value of their Texton Shares;
“Documents of title”	share certificates and/or certified transfer deeds and/or balance receipts or any other document of title in respect of Texton Shares;
“Excluded Shareholders”	the Shareholders excluded from voting on the Repurchase Resolution, being: <ul style="list-style-type: none">• the PIC, being the holder of the Repurchase Shares;• the members of the Consortium;• subsidiary of Texton as the holder of the Treasury Shares; and• JR Macey, the lead independent non-executive director of Texton.
“Firm Intention Announcement”	the announcement released on SENS on 26 May 2023 advising Shareholders of the intention to repurchase the Repurchase Shares;
“General Meeting”	the General Meeting of Texton Shareholders to be held electronically at 16:00 on Friday, 30 June 2023 (including any adjournment or postponement thereof) for the purpose of considering and if deemed fit, passing the Special Resolutions contained therein;
“Group” or “Texton” or “the Company”	Texton and its subsidiaries;

“Heriot”	Heriot Investments (Pty) Limited, (Registration number 2017/296227/07), a private company incorporated in accordance with the laws of South Africa (the majority shareholder of Heriot, is 100% owned by The Gusi Trust, being a trust of which SB Herring and his family are beneficiaries);
“IFRS”	International Financial Reporting Standards published by the International Accounting Standards Board;
“Independent Board”	the Texton independent board of Directors, constituted in terms of the Takeover Regulations, comprising JR Macey, S Thomas and WC van der Vent, constituted for the purpose of the Transaction, as contemplated in Regulation 108 of the Takeover Regulations;
“Independent Expert Report”	the Independent Report provided to the Independent Board in terms of section 114 (2) of the Companies Act, confirming that the Independent Expert has considered the terms and conditions of the Transaction and is of the opinion that the terms and conditions of the Transaction are fair and reasonable to Shareholders, as more fully detailed in Annexure 1 attached to this Circular;
“Investec” or “Transaction Sponsor”	Investec Bank Limited (Registration number 1969/004763/06), a public company incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” Section;
“JSE Listings Requirements”	the JSE Listings Requirements, as amended by the JSE from time to time;
“JSE”	JSE Ltd (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act, 2012 (Act 19 of 2012), as amended, and a public company incorporated in accordance with the laws of South Africa;
“Last Practical Date”	the last practical date for finalisation of this Circular, being Friday, 26 May 2023;
“PIC”	Government Employees Pension Fund, governed by the Government Employees Pension Law of 1996 herein represented by its manager, the Public Investment Corporation (SOC) Ltd (Registration number 2005/009094/30), a public state-owned company incorporated in accordance with laws of the South Africa and a related party to Texton as they hold more than 10% of Texton Shares;
“Register”	the securities register maintained on behalf of the Company by Computershare;
“Related Party”	PIC is a material shareholder of Texton and therefore a related party to Texton In terms of section 5.69 (e) of the JSE Listings Requirements.;
“Repurchase Conditions”	the conditions precedent to the Repurchase listed in paragraph 3;
“Repurchase Consideration”	R2,15 per Repurchase Share, totalling an aggregate of 155 077 453,20 for the Repurchase Shares;
“Repurchase Resolution”	Special Resolution Number 1 to approve the Repurchase in terms of sections 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act and paragraph 5.69 of the JSE Listings Requirements to be proposed at the General Meeting, the full terms of which are set out in the notice of General Meeting attached to and forming part of this Circular;
“Repurchase Shares”	72 129 048 Texton Shares (representing approximately 19,8% of the total issued Texton Shares) held by the PIC;
“Revocation Resolution”	Special Resolution Number 2 as set out in the notice of General Meeting;
“SENS”	the Stock Exchange News Service of the JSE;
“Share Repurchase Agreement”	the Share Repurchase Agreement signed on 23 May 2023, in terms of which Texton has agreed, subject to the fulfilment of the Repurchase Conditions, to repurchase the Repurchase Shares held by PIC for the Repurchase Consideration and on the terms set out in paragraph 3 of this Circular, by way of an on-market report-only block trade;
“Solaris Law” or “Legal Advisor”	Solaris Law (Pty) Ltd, (Registration number 2019/334232/07), a private company incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” Section;
“South Africa”	the Republic of South Africa;
“Strate”	Strate (Pty) Ltd (Registration number 1998/022242/07), a private company which is registered in terms of the Financial Markets Act, 2012 (Act 19 of 2012), as amended, responsible for the electronic settlement system of the JSE;

“Takeover Regulations”	the Takeover Regulations issued in terms of section 120 of the Companies Act, as amended;
“Texton Share” or “Share”	ordinary shares of no par value in the issued share capital of Texton;
“Texton Shareholder” or “Shareholder”	holders of Texton Shares;
“Texton” or “the Company”	Texton Property Fund Ltd (Registration number 2005/019302/06), a public company incorporated in accordance with laws of the South Africa. Texton is a diversified property investment fund focusing on office, retail, industrial, and corporate assets;
“the Repurchase” or “the Transaction”	the proposed repurchase by Texton from the PIC of 72 129 048 Texton Shares in terms of the Share Repurchase Agreement;
“Transfer Secretaries” or “Computershare”	Computershare Investor Service (Pty) Ltd (Registration number 2004/003647/07), a private company incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” Section;
“Treasury Shares”	31 853 013 Texton Shares held as treasury shares by subsidiary of Texton;
“TRP”	the Takeover Regulation Panel established in terms of section 196 of the Companies Act;
“Valeo Capital” or “Independent Expert”	Valeo Capital (Pty) Ltd (Registration number 2021/834806/07) a private company incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” Section, the Independent Expert to advise on the Transaction and to compile a report in terms of section 114 of the Companies Act to the Independent Board concerning the Transaction;
“Voting Record Date”	the day on which Texton Shareholders must be registered in the Register in order to vote at the General Meeting, being Friday, 23 June 2023; and
“VWAP”	the volume weighted average price at which Texton Shares traded over the 30-day period prior to any relevant date.

TEXTON

PROPERTY FUND

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)

JSE share code: TEX
ISIN: ZAE000190542

CIRCULAR TO TEXTON SHAREHOLDERS

1. INTRODUCTION

Shareholders are referred to the Firm Intention Announcement published by Texton on SENS, on 26 May 2023, wherein Shareholders were advised of the proposed repurchase of 72 129 048 Texton Shares, representing approximately 19,8% of the total issued Texton Shares from PIC at a price of R2,15 per Repurchase Share.

The Repurchase is the subject of this Circular. Implementation of the Repurchase is subject to the fulfilment of the Repurchase Conditions including, among others, approval of the Repurchase Resolution by Shareholders on or before the date stipulated therein for their fulfilment or waiver.

As the Repurchase constitutes a repurchase by Texton of more than 5% of the entire issued ordinary share capital of Texton, it is required that the Repurchase be approved and implemented in accordance with sections 48(8), 114 and 115 of the Companies Act and given that it constitutes a specific repurchase and from a related party as defined in terms of the JSE Listings Requirements, it must comply with and be approved in terms of paragraph 5.69 of the JSE Listings Requirements.

The purpose of this Circular is to provide Shareholders with relevant information regarding the Repurchase, including, among others, the Independent Expert's report, and to advise Shareholders of the Independent Board's opinion in respect of the Repurchase and to give notice convening the General Meeting in order for Shareholders to consider and, if deemed fit, to pass with or without modification the Repurchase Resolutions. In addition, the Circular is intended to inform Shareholders of their Appraisal Rights and the manner in which Texton Shareholders should exercise these rights should they wish to do so.

2. RATIONALE FOR THE REPURCHASE

The Repurchase and delisting of the Repurchase Shares is ultimately to the benefit of Shareholders in that the delisting of such shares results in the removal of the Repurchase Shares from the share capital of the Company (i.e. a decrease in the aggregate number of Texton Shares) at an attractive price which is fair and reasonable to Shareholders. The Repurchase is considered an appropriate allocation of capital as the impact of the Repurchase and cancellation of the Repurchase Shares is expected to enhance earnings and net asset value per share.

The reduction in the number of Texton Shares in issue will also have the effect of increasing the holdings of the Company's existing empowerment shareholders, which will have a favourable impact on transformation and empowerment.

Texton has sufficient cash resources and/or facilities to implement the Repurchase however it is anticipated that Texton may launch a rights offer after implementation of the Repurchase in order to provide additional capital and resources to Texton to implement its current strategies. The Repurchase is not conditional upon a rights offer being launched or implemented, or upon financing being procured from other sources.

3. TERMS OF THE REPURCHASE

Subject to the fulfilment of the Repurchase Conditions, Texton wishes to implement the Repurchase in terms of sections 48(8), 114 and 115 of the Companies Act and paragraph 5.69 of the JSE Listings Requirements, and on the terms and subject to the conditions set out below.

The implementation of the Repurchase is subject to the fulfilment of the following Repurchase Conditions on or before 17 July 2023:

- all resolutions required to implement the Repurchase in terms of section 48(8)(b) and 115(2)(a) of the Companies Act, and paragraphs 5.67(C) and 5.69(b) of the JSE Listings Requirements, have been approved by the requisite majority of Texton shareholders; and

- all approvals, consents and/or waivers, as may be required in terms of the Companies Act, the Takeover Regulations, the JSE Listings Requirements and any other applicable laws in order for the Repurchase to be implemented, other than the issue of the compliance certificate by the Takeover Regulation Panel in terms of section 119(4)(b) of the Companies Act, have been obtained, provided that if such approval is granted conditionally, this Repurchase Condition Precedent shall not be regarded as having been fulfilled unless before such date the Company gives notice to the effect that such conditions and terms are acceptable to the Company (in its discretion).

The Repurchase Conditions are not capable of being waived.

In order to comply with Regulation 102(13) of the Companies Regulations, the PIC and Texton have agreed that notwithstanding the fulfilment of the Repurchase Conditions, the Repurchase shall not be implemented unless and until the TRP has issued a compliance certificate in respect of the Repurchase in terms of section 119(4)(b) of the Companies Act.

The date for fulfilment of any Repurchase Condition Precedent may be extended by agreement between Texton and the PIC from time to time as approved by the Takeover Panel and the JSE (if and to the extent such approvals are required).

In the event that the Repurchase Conditions are fulfilled and the Repurchase becomes operative and is implemented in accordance with its terms, the Repurchase Shares will be repurchased for the Repurchase Consideration and an application will be made to the JSE for the termination of the listing of the Repurchase Shares on or about Monday, 10 July 2023.

The Repurchase will terminate with immediate effect if all of the Repurchase Conditions Precedent have not been fulfilled on or before the relevant date for fulfilment.

In the event that there are Dissenting Shareholders, the Revocation Resolution, as set out in the notice of General Meeting, will be put to Shareholders for approval. The Revocation Resolution provides that in the event that the Repurchase Resolution is approved but the Repurchase does not become unconditional or is otherwise not implemented for whatsoever reason, the Repurchase Resolution will be revoked in terms of section 164(9)(c) of the Companies Act and the Texton Shares held by the Dissenting Shareholders will not be purchased by Texton in terms of section 164 of the Companies Act.

Texton is incorporated and registered in South Africa and there are no exchange control regulations implications or approvals required in respect of the Repurchase.

4. FINANCIAL INFORMATION

The Repurchase will be funded out of the Group's available cash resources and/or facilities.

Settlement of the Repurchase Consideration will be implemented in full in accordance with the terms of the Repurchase without regard to any lien, right of set-off, counterclaim, other analogous right to which the Company may otherwise be, or claim to be, entitled against the PIC.

4.1 *Pro forma* Financial Information

The table below sets out the *pro forma* financial effects of the Repurchase on the financial position of Texton, to assist Shareholders in assessing the impact of the Repurchase on, *inter alia*, the earnings per Share, headline earnings per Share, diluted earnings per Share, diluted headline earnings per Share, net asset value per Share and tangible net asset value per Share.

The published numbers have been extracted, without adjustment, from Texton's unaudited interim results for the six month period ended 31 December 2022 as published on SENS on 21 February 2023, which can be accessed on Texton's website at www.texton.co.za, and will be available for inspection at the registered office of Texton as set out in paragraph 25 of this circular.

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. The consolidated *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited interim consolidated results of Texton for the six month period ended 31 December 2022.

The *Pro forma* Financial Information has been prepared for illustrative purposes only, based on current information available to management of Texton, in order to provide information about the financial results and position of Texton. Due to its nature, the *Pro forma* Financial Information may not fairly present Texton's financial position, changes in equity and results of operations or cash flows after the impact of the Repurchase, and are based on the assumptions that:

- i. the Repurchase date is assumed to be 1 July 2022 for the purposes of the statement of profit and loss and other comprehensive income and 31 December 2022 for the purposes of the statement of financial position;
- ii. for the purpose of calculating basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share, the Repurchase date is assumed to be 1 July 2022; and
- iii. for the purpose of calculating net asset value per share and net tangible asset value per share, the Repurchase date is assumed to be on 31 December 2022.

The accounting policies of Texton that were applied in the unaudited interim consolidated results for the six month period ended 31 December 2022 have been used in calculating the *pro forma* financial effects.

The independent reporting accountant's assurance report on the *Pro forma* Financial Information is set out in Annexure 3 of this circular.

	Unaudited results before the Repurchase	Pro forma results after the Repurchase	%
			Change
Basic earnings per Share (cents)	6,69	8,15	22
Diluted earnings per Share (cents)	6,69	8,15	22
Headline earnings per Share (cents)	11,05	13,72	24
Diluted headline earnings per Share (cents)	11,05	13,72	24
Net asset value per Share (Rand)	6,00	7,06	18
Net tangible asset value per share (Rand)	6,11	7,20	18

Notes and assumptions:

1. Presents the consolidated statement of profit and loss and other comprehensive income extracted, without adjustment, from Texton's published interim unaudited results for the six-month period ended 31 December 2022.
2. Texton repurchases 72 129 048 Texton Shares held by the PIC reducing the weighted average number of shares by the same amount.
3. Reversal of finance income presents the reduction in finance income on cash and equivalents utilised to fund the Transaction. The interest rate utilised to calculate the finance income reduction is based on the weighted return on cash held in South Africa and denominated in ZAR and cash held in the United Kingdom and denominated in GBP weighted based on the closing interim ZAR and GBP cash balances.
4. Transaction costs of R1 604 000 directly attributable to the repurchase of Texton shares have been recognised as a deduction from equity in terms of IAS 32:35.
5. All adjustments are expected to have a continuing effect.

4.2 Historical Financial Information

Extracts of the published, audited consolidated annual financial statements of the Company for the 3 years ended 30 June 2022, 30 June 2021 and 30 June 2020 and the interim period ended 31 December 2022 are included in Annexure 4 attached to this Circular. The full annual financial statements and interim financial statements are available on the Company's website at <https://texton.co.za/results-presentations/> and will be sent to Shareholders upon request.

5. CONFIRMATION OF CASH RESOURCES

The Company is required to provide a bank guarantee to the TRP from a South African registered bank unconditionally and irrevocably guaranteeing settlement of the full Repurchase Consideration. The Company has obtained and delivered to the TRP irrevocable unconditional bank guarantees issued by Investec Bank Limited (registration number 1969/004763/06) and the Standard Bank of South Africa Limited (registration number 1962/000738/06) for the full Repurchase Consideration, being R155 077 453.20, in accordance with Regulations 101(7)(b)(vi) and 111(4) of the Companies Regulations.

6. SOLVENCY AND LIQUIDITY AND WORKING CAPITAL STATEMENT

A resolution has been passed by the Board in terms of section 46 of the Companies Act that having applied the solvency and liquidity test as set out in section 4 of the Companies Act (the "solvency and liquidity test"), it has satisfied itself that at the date of the resolution being passed that it reasonably appears, and it has thus reasonably concluded, that the Company will satisfy the solvency and liquidity test, immediately after implementation of the Repurchase.

Furthermore, in line with the JSE Listings Requirements, the Directors, having considered the effect of the Repurchase, consider that there are reasonable grounds for believing that:

- the Group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of issue of this Circular;

- the assets of the Group will be in excess of the liabilities of the Group for a period of 12 months after the date of issue of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited Group financial statements;
- the ordinary capital and reserves of the Group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular; and
- the working capital of the Group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this Circular.

7. INTENTION REGARDING THE CONTINUATION OF THE BUSINESS OF TEXTON

There will be no change regarding the continuation of the business the Group, nor will there be a change in the continuation in the office of the Directors of Texton as a result of the implementation of the Repurchase.

8. SHARE TRADING HISTORY

Annexure 5 to this Circular sets out the aggregate volumes, dates and prices of the Texton Shares traded on the JSE (i) for each trading day during the 30-day period ended on the Last Practicable Date and (ii) for each month over the previous 12 months prior to the Last Practicable Date of issue of this Circular.

9. GENERAL MEETING

The General Meeting of Shareholders will be held electronically at 16:00 on Friday, 30 June 2023 to consider and, if deemed fit, to pass, with or without modification, the Repurchase Resolution and the Revocation Resolution.

A notice convening the General Meeting is attached hereto and forms part of this Circular and contains the resolution to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "Action required by Shareholders" section of this Circular.

10. EXCLUDED SHAREHOLDERS AND VOTING REQUIREMENTS

The following persons are acting in concert or are presumed to be acting in concert with Texton in terms of the Companies Regulations:

- the PIC;
- JR Macey, the lead independent non-executive director of Texton; and
- Each of the members of the Consortium.

Texton Shares held by the Excluded Shareholders will accordingly be excluded from voting on the Repurchase Resolution, as follows:

- the PIC, being the holder of the Repurchase Shares;
- the subsidiary of Texton as the holder of the 31 853 013 Treasury Shares;
- JR Macey, being the indirect holder of 31 925 Texton Shares; and
- the members of the Consortium, collectively holding 175 657 669 Texton Shares.

The Repurchase Resolution, as set out in the notice of General Meeting, is subject to the approval of more than 75% of the votes cast by the Shareholders, present in person or represented by proxy at the General Meeting and who are entitled to vote (excluding the Excluded Shareholders) in terms of the Companies Act. The Revocation Resolution as set out in the notice of General Meeting, is subject to the approval of more than 75% of the votes cast by the Shareholders, present in person or represented by proxy at the General Meeting and who are entitled to vote in terms of the Companies Act.

Texton Shares held by the Excluded Shareholders will not be entitled to vote on the Repurchase Resolution. The Excluded Shareholders will accordingly be excluded from calculating whether the Repurchase Resolution has been adopted by the requisite majority of Texton Shareholders.

A quorum for the purposes of considering the Repurchase Resolution and the Revocation Resolution shall comprise 25% of the total number of votes exercisable by Texton Shareholders, excluding the Excluded Shareholders in the case of the Repurchase Resolution.

11. IRREVOCABLE UNDERTAKINGS

Texton has procured an irrevocable letter of undertaking (“Irrevocable Undertaking”) from the following Shareholder to vote in favour of all resolutions required to implement the Repurchase:

Name of Shareholder	Number of shares held directly	Number of shares held indirectly	% of Total Shares Eligible to Vote*
Heriot Investments (Pty) Ltd	54 395 012	0	64,70
Total	54 395 012	0	64,70

* Based on there being 84 067 373 Texton shares eligible to vote.

12. OPINIONS AND RECOMMENDATIONS

The Board constituted the Independent Board in accordance with the Companies Act and Takeover Regulations. The Independent Board has appointed the Independent Expert (which meets the requirements set out in section 114(2) of the Companies Act) to advise it on the Transaction and to compile a report in terms of section 114 of the Companies Act to the Independent Board concerning the Transaction. Accordingly, the Independent Board has appointed the Independent Expert to provide the requisite opinions.

The Independent Expert has considered the terms and conditions of the Transaction and is of the opinion that the terms and conditions of the Transaction are fair and reasonable to Shareholders, as more fully detailed in Annexure 1 attached to this Circular.

The Independent Board, taking into account the opinion of the Independent Expert, has considered the terms and conditions of the Transaction and is of the opinion that the terms and conditions are fair and reasonable to Shareholders. In forming its opinion, the Independent Board considered the factors which are difficult to quantify or are unquantifiable (as contemplated in Regulation 110(6) of the Takeover Regulations) as identified in the Independent Expert’s Report. The Independent Board is not aware any other factors which are difficult to quantify or unquantifiable by the Independent Board when formulating its opinion.

For reasons outlined in the “Rationale for the Repurchase” paragraph 2 of the Circular and given the fairness opinions provided by the Independent Expert, the Directors recommend that Shareholders vote their shares in favour of the Repurchase Resolution set out in the notice of General Meeting.

13. BOARD RESPONSIBILITY STATEMENT

The Board, collectively and individually, accept responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, the information contained in this Circular is true, that no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law, the Takeover Regulations, and the JSE Listings Requirements.

14. INDEPENDENT BOARD RESPONSIBILITY STATEMENT

The Independent Board, collectively and individually, accept responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, the information contained in this Circular is true, that no facts have been omitted which would make any statement in this Circular false or misleading, that all reasonable enquiries to ascertain such facts have been made and that the Circular contains all information required by law, the Takeover Regulations, and the JSE Listings Requirements.

15. DIRECTORS' INTERESTS IN TEXTON SHARES AND ARRANGEMENTS

The table below sets out the direct and indirect beneficial holdings of shares by the Directors (and their associates) in the share capital of the Company as at the Last Practical Date.

Director	Total Before the Transaction			Total After the Transaction		
	Indirect	Direct	% Holding	Indirect	Direct	% Holding
MJA Golding	51 876 785	–	14,19	51 876 785	–	14,19
JR Macey	31 925	–	0,01	31 925	–	0,01
RA Franco	119 605 113	–	32,71	119 605 113	–	32,71
Total	171 513 823	–	46,91	171 513 823	–	46,91

There are no material provisions of an abnormal nature in respect of the Directors' service contracts which require specific disclosure and no service contracts have been entered into or have been amended in the six months before the Last Practicable Date.

In the six months preceding the date of the Share Repurchase Agreement and ending on the Last Practical Date, none of the Directors have traded in Texton Shares.

The remuneration of the Directors will not be affected by the implementation of the Repurchase.

16. SHARE CAPITAL OF TEXTON

The authorised and issued share capital of the Group at the Last Practical Date before the Repurchase is as follows:

	R'000
<i>Authorised</i>	
2 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
363 701 103 ordinary shares of no par value	2 975 198
31 858 013 treasury shares of no par value	188 062

The authorised and issued share capital of the Group after the Repurchase is expected to be as follows:

	R'000
<i>Authorised</i>	
2 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
291 572 055 ordinary shares of no par value	2 385 158
31 858 013 treasury shares of no par value	188 062

All the authorised and issued shares rank *pari passu* in every respect.

The unissued shares are under the control of the Directors subject to the provisions of the Companies Act and the JSE Listings Requirements.

17. MAJOR BENEFICIAL SHAREHOLDERS

Insofar as is known to Texton, the name of any Shareholder, other than a director, that, directly or indirectly, is beneficially interested in 5% or more of Texton Shares, together with the amount of each such Shareholder's interest is set out in the table below:

Shareholder	Number of Texton Share held directly	% of Texton Shares in Issue
Oak Tech Trading Proprietary Limited	84 619 266	23
PIC	72 129 048	20
Heriot Investments Proprietary Limited	54 395 012	15
Kloof Capital South Africa Proprietary Limited	41 092 769	11
Oak Tech Properties Proprietary Limited	35 605 597	10
Discus House Proprietary Limited	31 853 013	9
Total	315 785 656	87

No interest is held indirectly.

18. MATERIAL CHANGES

Other than the Sale of Alrode Industrial Park as announced on SENS on 5 April 2023, there have been no material changes in the financial or trading position of the Group since the end of the last financial period, for which the latest unaudited interim results for the six months ended 31 December 2022 were published and as at the Last Practicable Date.

19. MATERIAL CONTRACTS

Other than the Irrevocable Undertaking, no agreement exists between Texton and any of the Directors, or persons who were Directors within the preceding 12 (twelve) months; or holders of Shares or persons who were holders of Shares within the preceding 18 months, or any concert party of the Company, which agreement is considered to be material to the decision to be taken by the Shareholders regarding the Repurchase. Furthermore, there are no restrictive funding arrangements or contracts entered into otherwise than in the ordinary course of the business by Texton or any of its subsidiaries, which are material to Texton and which were entered into within the two years prior to the Last Practicable Date; or any time and containing an obligation or settlement that is material to Texton or its subsidiaries as at the Last Practicable Date.

20. LITIGATION STATEMENT

The Directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the Group's financial position.

21. MATERIAL RISKS

The material risks as set out on page 24 to 30 of the 30 June 2022 integrated annual report remain unchanged and can be accessed on the company's website: www.texton.co.za.

22. DIRECTORS INTEREST IN TRANSACTION

None of the current Directors nor any former Directors who have resigned as Directors of Texton during the past 18 months have any interest in the Transaction as contemplated in this Circular nor in any other transaction by Texton that was effected during the current or immediately preceding financial year, which remains in any material respect outstanding or unperformed.

23. PRELIMINARY EXPENSES AND COSTS OF THE REPURCHASE

The costs that are expected or have been provided for in connection with the Repurchase are set out below:

Description	Name	Excluding VAT (R)
Legal advisors	Solaris Law	650 000
Transaction Sponsor	Investec	550 000
Independent Expert	Valeo Capital	145 000
Documentation Inspection Fees	TRP	130 000
Independent Reporting Accountants	BDO	68 595
Documentation Inspection Fees	JSE	30 837
Printing fees	Purple Frog	30 000
Total		1 604 432

24. CONSENTS

The Transaction Sponsor, the Independent Expert, Independent Reporting Accountants and the Legal Advisor have consented in writing to act in the capacities stated and to their names being stated in this Circular and where applicable, reference to their reports in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

25. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Texton during normal office hours from Wednesday, 31 May 2023 until Friday, 30 June 2023 or will be available electronically on request by emailing w.somerville@mweb.co.za:

- the signed consent letters of the parties referred to in paragraph 24;
- a signed copy of this Circular;
- a copy of the TRP and JSE approval letter;
- the signed Repurchase Agreement;
- a copy of the Irrevocable Undertaking;
- a copy of the Independent Expert report presented in Annexure 1;
- the audited *pro forma* income statement and balance sheet as at 30 June 2022, together with the audit review opinion presented in Annexure 2 and 3;
- the audited annual financial statements of the Company for the 3 years ended 30 June 2022, 30 June 2021 and 30 June 2020 and the interim results for the period ended 31 December 2022; and;
- a copy of the memorandum of incorporation of Texton.

By order and on behalf of the Board of Texton Property Fund Limited

HSP Welleman
Chief executive officer

INDEPENDENT EXPERT'S REPORT

25 May 2023

The Directors
Texton Property Fund Limited (“**Texton**” or the “**Company**”)
Block D, Vunani Office Park
151 Katherine Street
Sandton
2031

Dear Sirs,

INDEPENDENT EXPERT REPORT IN RESPECT OF THE PROPOSED REPURCHASE OF SHARES

1. Introduction

The Company is proposing a repurchase of 72 129 048 ordinary shares of no par value in the issued share capital of Texton (“**Texton Shares**”) held by the Public Investment Corporation (SOC) Limited (the “**Repurchase Shares**”), representing c. 19,8% of the total issued Texton Shares, at a price of R2,15 per share (“**Repurchase Consideration**”) (“**the Repurchase**”).

As the Repurchase constitutes a repurchase by Texton of more than 5% of its issued ordinary share capital, it is required that the Repurchase be approved and implemented in accordance with sections 48(8), 114 and 115 of the Companies Act, No. 71 of 2008, as amended (“**Companies Act**”) and given that it constitutes a specific repurchase in terms of the JSE Listings Requirements, it must comply with and be approved in terms of paragraph 5.69 of the JSE Listings Requirements.

Full details of the Repurchase are contained in the circular to Texton Shareholders dated 31 May 2023 (“**Circular**”), of which this opinion forms part.

2. Scope

In terms of section 114(3) of the Companies Act and regulation 90 of the Takeover Regulations, Texton is required to appoint an independent expert (“**Independent Expert**”) in order to opine on the fairness and reasonableness of the Repurchase (“**the Opinion**”).

Valeo Capital Proprietary Limited (“**Valeo Capital**”) has been appointed by the independent board of directors of Texton (the “**Independent Board**”) as the Independent Expert to advise on whether the terms of the Repurchase are fair and reasonable to Shareholders.

3. Responsibility

Compliance with the Companies Act is the responsibility of the Independent Board. Valeo Capital's responsibility is to report on the terms of the Repurchase in compliance with the Companies Act and Takeover Regulations.

We confirm that this Opinion will be provided to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Texton shareholders (“**Shareholders**”) pertaining to the Repurchase. The Opinion will be distributed to Shareholders prior to the relevant resolutions required to approve the Repurchase being tabled for consideration by the Shareholders.

4. Definition of the terms “fair” and “reasonable”

A transaction will generally be considered fair to a company's shareholders if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value surrendered by a company or its shareholders.

The assessment of fairness is primarily based on quantitative considerations. Accordingly, the Repurchase may be considered fair if the Repurchase Consideration is lower than or equal to the value attributable to Texton Shares, or unfair if the Repurchase Consideration is greater than the value attributable to Texton shares.

In terms of Takeover Regulation 110(9), a transaction will be considered reasonable if the value received by the shareholders in terms of the transaction is higher than the market price of the company's securities at the time that the transaction was announced. Based on the fact that the Repurchase does not trigger an offer to the residual Texton shareholder base, Takeover Regulation 110(9) is not applicable. In addition, the assessment of reasonableness is also based on qualitative considerations surrounding a transaction. Even though a transaction may be unfair based on quantitative considerations, a transaction may still be reasonable after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our Opinion. The Opinion does not purport to cater for an individual Shareholder's position but rather the general body of Shareholders. An individual Shareholder's decision regarding the terms of a transaction may be influenced by its particular circumstances (such as taxation and the original price paid for the shares).

5. Sources of information

In the course of our work, we relied upon information obtained from Texton management ("**Management**") and from various public sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our work include:

- audited annual financial statements of Texton for the financial years ended 30 June 2020 to 30 June 2022;
- Unaudited interim financial results for the 6 months ended 31 December 2022;
- forecast financial information for the 2023 to 2025 financial years;
- management accounts as at 31 March 2023;
- independent valuer valuation reports for all properties within the Company ("**Underlying Properties**") prepared by Allsop LLP, Quadrant Properties Proprietary Limited and Real Insight Proprietary Limited;
- Share trading history for Texton for the period April 2022 to March 2023;
- the draft Circular;
- The draft Repurchase agreement;
- the draft firm intention announcement ("**Firm Intention Announcement**");
- Texton's group structure as at 31 March 2023;
- discussions with Management on prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Repurchase; and
- comparative, publicly available financial and market information on appropriate peer issuers in South Africa;
- economic outlooks prepared by leading South African banks; and
- online and subscription databases covering financial markets, share prices, volumes traded and news.

6. Assumptions

We have arrived at our Opinion based on the following assumptions:

- that the terms of the Repurchase are legally enforceable with no material amendments;
- that reliance can be placed on the historical and forecast financial information of Texton;
- the structure of the Repurchase will not give rise to any undisclosed tax liabilities;
- that Texton is not involved in any material legal proceedings or disputes with regulatory bodies;
- there are no undisclosed contingencies that could affect the value of the relevant securities;
- reliance can be placed on Management representations made; and
- the current regulatory and market conditions will not change materially.

7. Procedures

In arriving at our Opinion, we have undertaken the following procedures in evaluating the fairness and reasonableness of the Repurchase:

- considered the rationale for the Repurchase, as presented by Management;
- reviewed the terms of the Repurchase;
- analysed the historical and forecasted information as provided by Management;
- where relevant, corroborated representations made by Management to source documents;
- performed a valuation of the Company as detailed below;
- reviewed Texton's share trading history;
- reviewed relevant publicly available information relating to Texton;
- performed an analysis of other information considered pertinent to our valuation and Opinion;
- obtained letters of representation from Management confirming that Valeo Capital have been provided with all relevant material information and that all such information provided to us is accurate and complete in all material respects; and
- we determined the fairness and reasonableness of the Repurchase based on the results of the procedures mentioned above. We believe that these considerations justify the Opinion outlined below.

8. Valuation approach

In considering the Repurchase, Valeo Capital performed an independent valuation of Texton in accordance with generally accepted valuation approaches and methods used in the market from time to time. Accordingly, for the purpose of our valuation the following valuations methodologies were applied:

- Income approach – being a discounted cash flow valuation (“**DCF**”) on Texton and the Underlying Properties;
- Market approach – whereby Texton and its Underlying Properties have been valued based on its peers' current and historic trading multiples after taking into account relevant premiums and/or discounts (“**Multiple Valuation**”)

Valeo Capital performed sensitivity analyses on the valuation methodologies applied, which included, *inter alia*:

- a change of 1,0% on the discount rate applied, which analyses resulted in a variance range of c. 4,0% on the midpoint DCF value calculated for Texton; and
- a change of 0,5% on the capitalisation rates applied, which analyses resulted in a variance range of c. 13,1% on the midpoint DCF value calculated for Texton.

Key external value drivers effecting the value attributable to Texton include:

- Economic growth that could affect forecasted demand, driving occupancy and rental rates, as lower economic growth will decrease demand and the derived value of the Texton and its Underlying Properties;
- Increase in both South African and United Kingdom inflation, as higher inflation may not be able to be passed on to tenants, which will decrease the value of Texton; and
- South African and United Kingdom forecasted interest rates, as an increase in interest rates will decrease the value of the Underlying Properties.

Key internal value drivers affecting the value attributable to Texton include:

- Forecasted free cash flow to Texton, largely impacted by, *inter alia*, occupancy and rental rates, the forecasted cost base and working capital investment. An increase in the forecasted cash flow will result in an increase in the value of the Texton; and
- the exit capitalisation rates applicable to the Underlying Properties. An increase in the exit capitalisation rates would result in a lower value attributable to the Underlying Properties.

9. Opinion

As the ordinary shares in the capital of the Company comprise of the sole class of shares in the issued share capital of the Company, Shareholders are the only persons who may be affected by the Repurchase.

We have considered the terms and conditions of the Repurchase and, based on the aforementioned, we are of the opinion, subject to the limiting conditions as set out below, that the indicative fair value of the Shares amounts to between 286 cents per share and 344 cents per share (“**Value Range**”), with the likely core value of 315 cents per share being the midpoint of the value range. We have compared the Value Range to the Repurchase Consideration of 210 cents

per share, which falls below the Value Range. In addition, the Repurchase Consideration falls below the last traded price of Shares prior to the Repurchase being announced to Shareholders. Subject to the conditions set out herein, we are of the opinion that the Repurchase Consideration is fair and reasonable to Shareholders.

10. Limiting conditions

This Opinion is provided to the Independent Board in connection with and for the purpose of the Repurchase, for the sole purpose of assisting the Independent Board in forming and expressing an opinion for the benefit of Shareholders. This Opinion is prepared solely for the Independent Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in determining our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of reaching our Opinion, whether in writing or obtained in discussion with Management, with reference to publicly available or independently obtained information.

While our work has involved a review of, *inter alia*, various sets of annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to Management forecasts.

This Opinion is provided in terms of the Companies Act. It does not constitute a recommendation to any Shareholder as to how to vote at any Shareholders' meeting relating to the Repurchase or on any matter relating to it. It should not, therefore, be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion is used or relied upon for anything other than its intended purpose. Should an individual Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

Subsequent developments may affect our Opinion and we are under no obligation to update, review or re-affirm it based on such developments. We have assumed that all conditions precedent referred to in the Circular, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained.

11. Section 115 and 164 of the Companies Act

Section 115 and 164 of the Companies Act have been included as Annexure 6 to the Circular.

12. Material interest of Texton directors

The shareholding of directors of Texton, directly and indirectly, is set out in paragraph 15 to the Circular.

13. Independence and additional regulatory disclosures

We confirm that Valeo Capital has no direct or indirect interest in any transacting party or the Repurchase, nor do we have any relationship with Texton or, to the best of our knowledge, to any person related to the Company such as would lead a reasonable and informed third party to conclude that our integrity, impartiality or objectivity has been compromised by such relationship. We also confirm that we have the necessary competence and experience to provide this Opinion. Furthermore, we confirm that our professional fee of R145 000 (excluding VAT) is not contingent upon the outcome of the Repurchase.

The directors, employees or consultants of Valeo Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the Repurchase; (ii) evaluate the Repurchase; and (iii) determine the effect of the Repurchase on the value of the shares and on the rights and interests of Shareholders, or a creditor of Texton and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

14. Consent

We hereby consent to the inclusion of this Opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Repurchase.

Yours faithfully

Riaan van Heerden
Valeo Capital Proprietary Limited

PRO FORMA FINANCIAL INFORMATION

The definitions and interpretations commencing on page 5 of the circular have been used throughout this Annexure. The *pro forma* financial information should be read in conjunction with paragraph 4.1 of the circular.

BASIS OF PREPARATION

The *pro forma* financial information has been prepared using the most recent financial period of Texton, in terms of the JSE Listings Requirements and guidelines issued by the South African Institute of Chartered Accountants.

The published numbers have been extracted, without adjustment, from Texton's unaudited interim results for the six month period ended 31 December 2022 as published on SENS on 21 February 2023, which can be accessed on Texton's website at www.texton.co.za, and will be available for inspection at the registered office of Texton as set out in paragraph 25 of this Circular.

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. The consolidated *pro forma* financial information has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the unaudited interim consolidated results of Texton for the six month period ended 31 December 2022 (the "**Pro forma Financial Information**").

The *Pro forma* Financial Information has been prepared for illustrative purposes only, based on current information available to management of Texton, in order to provide information about the financial results and position of Texton. Due to its nature, the *Pro forma* Financial Information may not fairly present Texton's financial position, changes in equity and results of operations or cash flows after the impact of the Repurchase, and are based on the assumptions that:

- i. the Repurchase date is assumed to be 1 July 2022 for the purposes of the statement of profit and loss and other comprehensive income and 31 December 2022 for the purposes of the statement of financial position.
- ii. for the purpose of calculating basic earnings per share, diluted earnings per share, headline earnings per share and diluted headline earnings per share, the Repurchase date is assumed to be 1 July 2022; and
- iii. for the purpose of calculating net asset value per share and net tangible asset value per share, the Repurchase date is assumed to be on 31 December 2022.

The accounting policies of Texton that were applied in the unaudited interim consolidated results for the six month period ended 31 December 2022 have been used in calculating the *pro forma* financial effects.

The independent reporting accountant's assurance report on the *Pro forma* Financial Information is set out in Annexure 3 of this Circular.

Texton Property Fund Limited *Pro forma* Consolidated Statement of Financial Position as at 31 December 2022

	Unaudited results before the Repurchase	Adjustments for the Repurchase	Transaction cost	<i>Pro forma</i> after the Repurchase
	Note 1	Note 2	Note 3	
ASSETS				
Non-current assets	2 713 727	–		2 713 727
Investment property	2 111 405	–		2 111 405
Property, plant and equipment	11 512	–		11 512
Tenant installation	10 196	–		10 196
Investment in joint venture	518	–		518
Unlisted investments	538 462	–		538 462
Lease commissions	5 381	–		5 381
Other receivables	36 253	–		36 253
Current assets	314 996	(155 077)	(1 604)	158 314
Trade and other receivables	31 195	–		31 195
Income tax receivable	4 898	–		4 898
Cash and cash equivalents	278 903	(155 077)	(1 604)	122 221
Investment property held for sale	94 814			94 814
Total assets	3 123 537	(155 077)	(1 604)	2 966 855
EQUITY AND LIABILITIES				
Equity	1 990 383	(155 077)	(1 604)	1 833 701
Share capital	2 787 136	(155 077)	(1 604)	2 630 454
Accumulated loss	(681 105)	–		(681 105)
Share-based payment reserve	539	–		539
Foreign currency translation reserve	(116 187)	–		(116 187)
Non-current liabilities	913 233	–	–	913 233
External loans and derivative financial instruments	877 346	–		877 346
Lease liability	0	–		0
Deferred tax	35 887	–		35 887
Current liabilities	219 921	–	–	219 921
External loans and derivative financial instruments	157 665	–		157 665
Trade and other payables	54 528	–		54 528
Income tax payable	7 728	–		7 728
Total equity and liabilities	3 123 537	(155 077)	(1 604)	2 966 855
Number of shares in issue at period-end (net of treasury shares) ('000)	331 848	(72 129)		259 719
Net asset value per share [®]	6,00	1,06		7,06
Net tangible asset value per share [®]	6,11	1,09		7,20

Notes and assumptions:

- Presents the consolidated statement of financial position extracted, without adjustment, from Texton's interim unaudited published results for the period ended 31 December 2022.
- Texton repurchases 72 129, 048 Texton Shares held by the PIC. The accounting to give effect to this transaction is as follows:
 - A reduction in cash and cash equivalents of R155 077 453 being the Repurchase Consideration calculated as 72 129 048 shares at the purchase consideration of R2,15 per share.
 - A corresponding decrease in share capital of Texton as the Repurchased Shares are delisted from the JSE.
- Transaction costs of R1 604 000 directly attributable to the repurchase of Texton shares have been recognised as a deduction from equity in terms of IAS 32:35.
- There are no material subsequent events that require adjustments to the *pro forma* financial information.
- All adjustments are expected to have a continuing effect.

Texton Property Fund Limited *Pro forma* Consolidated Statement of Statement of Profit or Loss and Other Comprehensive Income for the six-month period ended 31 December 2022

	Unaudited results before the Repurchase	Adjustments for the Repurchase	Reversal of finance income	<i>Pro forma</i> after the Repurchase
	Note 1	Note 2	Note 3	
Investment property income	159 838	–		159 838
Straight-line rental adjustment	3 953	–		3 953
Property income	163 791	–		163 791
Impairment losses recognised on tenant debtors	2 383	–		2 383
Property expenses	(68 501)	–		(68 501)
Net property income	97 673	–		97 673
Investment revenue	10 411	–		10 411
Administrative expenses	(19 489)	–		(19 489)
Foreign exchange gains	1 445	–		1 445
Operating profit	90 040	–		90 040
Finance income	3 596	–	(1 056)	2 540
Finance costs	(49 382)	–		(49 382)
Fair value adjustments	(10 089)	–		(10 089)
Impairment reversal	82			82
Profit before tax	34 247	–		33 191
Taxation (expense)/income	(12 078)	–		(12 078)
Profit for the year	22 169	–		21 113
Other comprehensive income/(loss)				
Items that may be reclassified to profit or loss:				
Exchange differences on translating foreign operations	35 657	–		35 657
Total comprehensive income for the year	57 826	–		56 770
Profit and total comprehensive income attributable to:				
Equity holders of the Company	57 826	–		56 770
Weighted average number of shares in issue	331 339	(72 129)		259 210
Diluted weighted average number of shares in issue	331 339	(72 129)		259 210
Basic earnings per share (cents)	6,69			8,15
Diluted earnings per share (cents)	6,69			8,15
Headline earnings per share (cents) (Note 4)	11,05			13,72
Diluted headline earnings per share (cents) (Note 4)	11,05			13,72

Notes and assumptions:

1. Presents the consolidated statement of profit and loss and other comprehensive income extracted, without adjustment, from Texton's published interim unaudited results for the six-month period ended 31 December 2022.
2. Texton repurchases 72 129 048 Texton Shares held by the PIC reducing the weighted average number of shares by the same amount.
3. Reversal of finance income presents the reduction in finance income on cash and equivalents utilised to fund the transaction. The interest rate utilised to calculate the finance income reduction is based on the weighted return on cash held in South Africa and denominated in ZAR and cash held in the United Kingdom and denominated in GBP weighted based on the closing interim ZAR and GBP cash balances.

4. Reconciliation between profit attributable to shareholders and headline earnings per share:

Reconciliation between earnings and headline earnings	R'000
Earnings	
Profit attributable to equity holders of the company	21 113
Headline earnings	
Profit attributable to equity holders of the company	21 113
Revaluation of investment property	12 802
Revaluation of investment property held for sale	(1 084)
Joint venture impairment	–
Loss on sale of property held for sale	2 742
Headline profit attributable to shareholders	35 573
Weighted average number of shares in issue	259 210
Diluted weighted average number of shares in issue	259 210
Headline earnings per share (cents)	13,72
Diluted headline earnings per share (cents)	13,72

5. All adjustments are expected to have a continuing effect.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

The Directors
Texton Property Fund Limited
Registration number 2005/019302/06
Block D, Vunani Office Park
151 Katharine Street
Sandton, 2031

25 May 2022

Dear Sirs/Mesdames

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

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Texton by the directors (the "**Directors**"). The *pro forma* financial information, as set out in Annexure 2 of the circular to be issued on or about Wednesday, 31 May 2023 ("**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 2**.

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate actions or events, described in Part I of the Circular, on the company's financial position and performance as at 31 December 2022, as if the corporate action or event had taken place at 31 December 2022 for statement of financial position and 1 July 2022 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 published unaudited interim financial information for the six months ended 31 December 2022.

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 2** 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 Sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018) and parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the "**IRBA Codes**"), which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Codes are 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 paragraph 4.1 and **Annexure 2** of the Circular.

Consent

This report on the *pro forma* statement of financial position and *pro forma* statement of comprehensive income is included solely for the information of the shareholders of the Company. 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 B van der Walt

Chartered Accountant (SA)

Registered Auditor

JSE Reporting Accountant Specialist

HISTORICAL FINANCIAL INFORMATION OF TEXTON

Extracts of the published, audited consolidated annual financial statements of the Company for the 3 years ended 30 June 2022, 30 June 2021 and 30 June 2020 and the interim period ended 31 December 2022 are included below.

The full annual financial statements and interim financial statements are available on the Company's website at <https://texton.co.za/results-presentations/> and will be sent to Shareholders upon request.

The report of historical financial information is the responsibility of the Directors.

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Year ending 30 June

R'000	2022	2021	2020
ASSETS			
Non-current assets	2 784 172	2 712 290	3 416 932
Investment property	2 120 715	2 501 365	3 149 057
Property, plant and equipment	8 854	7 448	3 236
Tenant installation	13 943	9 093	6 089
Investment in joint venture	137 426	167 388	252 272
Unlisted investments	485 062	–	–
Lease commissions*	7 430	8 542	6 278
Other receivables	10 742	18 454	–
Current assets	161 077	424 180	189 864
Trade and other receivables	35 557	38 936	44 222
Derivative financial assets		7 143	–
Income tax receivable	3 242	18 016	3 451
Cash and cash equivalents	122 278	360 085	142 191
Investment property held for sale	464 900	505 664	601 293
Total assets	3 410 149	3 642 134	4 208 089
EQUITY AND LIABILITIES			
Equity	1 964 371	2 120 078	1 972 740
Share capital	2 795 822	2 829 221	2 842 473
Accumulated loss	(680 014)	(556 100)	(758 095)
Share-based payment reserve	407	145	–
Foreign currency translation reserve	(151 844)	(153 188)	(111 638)
Non-current liabilities	1 147 237	1 373 099	1 642 388
External loans and derivative financial instruments [^]	1 119 443	1 350 137	1 626 382
Lease liability	2 961	3 172	3 252
Deferred tax	24 833	19 790	12 754
Current liabilities	298 541	148 957	592 961
External loans and derivative financial instruments [^]	225 559	57 473	456 440
Trade and other payables	59 928	87 862	107 923
Income tax payable	13 054	3 622	28 598
Total equity and liabilities	3 410 149	3 642 134	4 208 089

* Renamed from non-current assets in the 2020 financial year to lease commissions.

[^] Renamed from other financial liabilities in the 2020 financial year to external loans and derivative financial instruments.

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ending 30 June

R'000	2022	2021	2020
Investment property income	336 358	444 448	521 905
Straight-line rental adjustment	(3 152)	(2 755)	(2 720)
Property income	333 206	441 693	519 185
Reversal of impairment/(impairment) on trade receivables	(645)	5 010	(27 595)
Property expenses	(144 056)	(159 832)	(183 780)
Net property income	188 505	286 871	307 810
Other income	10 247	714	4 715
Administrative expenses	(37 405)	(34 641)	(38 022)
Loss from joint venture	(32 879)	(97 862)	34 711
Expenses incurred for corporate transactions	(2 875)	(3 097)	–
Foreign exchange gains/(losses)	880	(413)	(90 732)
Operating profit	126 473	151 572	218 482
Finance income	10 588	59 006	85 780
Finance costs	(93 755)	(146 668)	(168 891)
Fair value adjustments	4 432	130 063	(196 849)
Profit before tax	47 738	193 973	(61 478)
Taxation (expense)/income	(9 683)	8 022	(69 023)
Profit for the year	38 055	201 995	(130 501)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	1 344	(41 550)	102 241
Total comprehensive income for the year	39 399	160 445	(28 260)
Profit and total comprehensive income attributable to:			
Equity holders of the Company	39 399	160 445	(28 260)
Earnings per ordinary share (cents)			
– basic	11,19	57,97	(37,35)
– diluted basic	11,19	57,97	(37,35)
Headline earnings per ordinary share			
– headline	30,49	73,26	(23,35)
– diluted headline	30,46	73,26	(23,35)

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
Year ending 30 June

R'000	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated loss	Total equity
Balance at 30 June 2019	2 842 473	(213 879)	–	(504 642)	2 123 952
Total comprehensive loss for the year	–	102 241	–	(130 501)	(28 260)
– Loss for the year	–	–	–	(130 501)	(130 501)
– Exchange differences on translation of foreign operations	–	102 241	–	–	102 241
Transactions with shareholders recognised directly in equity	–	–	–	(122 952)	(122 952)
– Dividend paid	–	–	–	(122 952)	(122 952)
Balance at 1 July 2020	2 842 473	(111 638)	–	(758 095)	1 972 740
– Profit for the year	–	–	–	201 995	201 995
– Other comprehensive income	–	(41 550)	–	–	(41 550)
Total comprehensive income	–	(41 550)	–	201 995	160 445
Transaction with Owners					
– Treasury shares acquired	(13 252)	–	–	–	(13 252)
– Share-based payment transaction	–	–	145	–	145
Balance at 30 June 2021	2 829 221	(153 188)	145	(556 100)	2 120 078
Changes in equity					
– Profit for the year	–	–	–	38 055	38 055
– Other comprehensive income	–	1 344	–	–	1 344
Total comprehensive income	–	1 344	–	38 055	39 399
Transaction with Owners					
– Dividends recognised as distributions to shareholders	–	–	–	(161 969)	(161 969)
– Treasury shares acquired	(33 399)	–	–	–	(33 399)
– Share-based payment transaction	–	–	262	–	262
Balance at 30 June 2022	2 795 822	(151 844)	407	(680 014)	1 964 371

D. CONSOLIDATED STATEMENT OF CASH FLOW
Year ending 30 June

R'000	2022	2021	2020
Cash flows from operating activities	(83 622)	140 896	15 423
Cash generated by operations	144 640	252 014	262 879
Interest received	1 842	60 920	85 609
Interest paid	(85 553)	(147 273)	(162 636)
Commissions paid	–	–	–
Dividends paid	(161 969)	–	(122 952)
Taxation paid	17 418	(24 765)	(47 477)
Cash flows from investing activities	(87 715)	652 956	186 708
Additions property, plant and equipment	(3 322)	(5 446)	(2 166)
Additions to investment property	(32 170)	(8 681)	(1 706)
Proceeds on disposal of investment property classified as held for sale	400 110	693 204	208 928
Repayment/(advance) of loan to Inception (reading) S.à.r.l.	1 963	(12 977)	(11 469)
Commission paid	(2 648)	(7 083)	(3 614)
Investment in unlisted property fund	(442 263)	–	–
Escrow funds received relating to the sale of a property	840	–	–
Tenant installation required	(10 225)	(6 061)	(3 265)
Cash flow from financing activities	(72 707)	(572 000)	(399 915)
Treasury shares acquired	(33 399)	(13 252)	–
Settlement of the cross currency swap	(1 751)	–	–
Proceeds from external loans and derivative financial instruments	254 268	10 506	57 845
Repayment of external loans and derivative financial instruments	(288 619)	(567 146)	(457 288)
Debt structuring fees paid	(2 728)	(1 635)	–
Lease liability payment	(478)	(473)	(472)
Net change in cash and cash equivalents	(244 043)	221 852	(197 784)
Effect of exchange rate movement in cash and cash equivalents	6 236	(3 958)	3 382
Release of restricted cash			12 608
Cash and cash equivalents at beginning of the year	360 085	142 191	323 985
Cash and cash equivalents at end of the year 12	122 278	360 085	142 191

EXTRACTS FROM THE UNAUDITED CONSOLIDATED INTERIM RESULTS OF VALUE GROUP FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

A. CONSOLIDATED STATEMENT OF FINANCIAL POSITION
6 months ended 31 December

R'000	Unaudited December 2022	Unaudited December 2021	Unaudited December 2020
ASSETS			
Non-current assets	2 713 727	2 437 265	2 895 521
Investment property	2 111 405	2 025 763	2 649 541
Property, plant and equipment	11 512	8 404	3 612
Tenant installation	10 196	17 356	6 825
Investment in joint venture	518	172 100	226 289
Unlisted investments	538 462	189 165	264
Lease commissions	5 381	7 506	8 990
Other receivables	36 253	16 971	–
Current assets	314 996	398 445	168 779
Trade and other receivables	31 195	38 039	52 162
Income tax receivable	4 898	17 553	3 419
Cash and cash equivalents	278 903	342 853	113 198
Investment property held for sale	94 814	594 615	925 477
Total assets	3 123 537	3 430 325	3 989 777
EQUITY AND LIABILITIES			
Equity	1 990 383	2 031 990	2 072 522
Share capital	2 787 136	2 819 704	2 842 473
Accumulated loss	(681 105)	(698 011)	(622 454)
Share-based payment reserve	539	219	–
Foreign currency translation reserve	(116 187)	(89 922)	(147 497)
Non-current liabilities	913 233	1 297 429	1 741 774
External loans and derivative financial instruments	877 346	1 276 100	1 716 238
Lease liability	–	3 121	22 324
Deferred tax	35 887	18 208	3 212
Current liabilities	219 921	100 906	175 481
External loans and derivative financial instruments	157 665	24 445	72 959
Trade and other payables	54 528	72 464	95 257
Income tax payable	7 728	3 997	7 265
Total equity and liabilities	3 123 537	3 430 325	3 989 777

B. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
6 months ended 31 December 2022

R'000	Unaudited December 2022	Unaudited December 2021	Unaudited December 2020
Investment property income	159 838	172 070	243 330
Straight-line rental adjustment	3 953	477	(5 555)
Property income	163 791	172 547	237 775
Reversal of impairment/(impairment) on trade receivables	2 383	(112)	(2 998)
Property expenses	(68 501)	(75 722)	(83 544)
Net property income	97 673	96 713	151 233
Investment revenue	10 411	2 341	409
Administrative expenses	(19 489)	(19 392)	(16 650)
Profit/(Loss) from joint venture	–	6 675	(36 909)
Expenses incurred for corporate transactions	–	–	(6 123)
Foreign exchange gains/(losses)	1 445	(1 608)	3 322
Operating profit	90 040	84 729	95 282
Finance income	3 596	9 681	33 427
Finance costs	(49 382)	(47 555)	(74 515)
Fair value adjustments	(10 089)	(61 392)	93 394
Impairment reversal/(impairment)	82	(2 847)	–
Profit before tax	34 247	(17 384)	147 588
Taxation (expense)/income	(12 078)	3 480	(11 947)
Profit for the year	22 169	(13 904)	135 641
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations	35 657	63 266	(35 859)
Total comprehensive income for the year	57 826	49 362	99 782
Profit and total comprehensive income attributable to:			
Equity holders of the Company	57 826	49 362	99 782
Earnings per ordinary share (cents)			
– basic	6,69	(4,06)	38,82
– diluted basic	6,69	(4,06)	38,82
Headline earnings per ordinary share			
– headline	11,05	15,43	11,03
– diluted headline	11,05	15,43	11,03

C. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
6 months ended 31 December 2022

R'000	Share capital	Foreign currency translation reserve	Share-based payment reserve	Accumulated loss	Total equity
Balance at 1 July 2021	2 829 221	(153 188)	145	(556 100)	2 120 078
Total comprehensive income for the period		63 266	–	(13 904)	49 362
– Profit for the year	–	–	–	(13 904)	(13 904)
– Other comprehensive income	–	63 266	–	–	63 266
Transactions with shareholders recognised directly in equity	(9 517)	–	–	(128 008)	(137 525)
– Treasury shares acquired	(9 517)	–	–	–	(9 517)
– Dividends paid	–	–	–	(128 008)	(128 008)
Share-based payment transaction			74		74
Balance at 31 December 2021	2 819 704	(89 922)	219	(698 012)	2 031 989
Total comprehensive income for the period	–	(61 922)	–	51 959	(9 963)
– Profit for the year	–	–	–	51 959	51 959
– Other comprehensive income	–	(61 922)	–	–	(61 922)
Transactions with shareholders recognised directly in equity	(23 882)	–	–	(33 961)	(57 843)
– Treasury shares acquired	(23 882)	–	–	–	(23 882)
– Dividends paid	–	–	–	(33 961)	(33 961)
Share-based payment transaction	–	–	188	–	188
Balance at 30 June 2022	2 795 822	(151 844)	407	(680 014)	1 964 371
Total comprehensive income for the period		35 657	–	22 169	57 826
– Profit for the year	–	–	–	22 169	22 169
– Other comprehensive income	–	35 657	–	–	35 657
Transactions with shareholders recognised directly in equity	(8 686)	–	–	(23 260)	(31 946)
– Treasury shares acquired	(2 408)	–	–	–	(2 408)
– Shares cancelled	(6 278)	–	–	–	(6 278)
Dividends paid	–	–	–	(23 260)	(23 260)
Share-based payment transaction			132		132
Balance at 31 December 2022	2 787 136	(116 187)	539	(681 105)	1 990 383

D. CONSOLIDATED STATEMENT OF CASH FLOWS
6 months ended 31 December

R'000	Unaudited six months ended 31 December 2022	Unaudited six months ended 31 December 2021	Unaudited six months ended 31 December 2020
Cash flows from operating activities	7 717	(97 781)	52 460
Cash generated by operations	74 279	67 979	117 157
Interest received	3 596	13 511	37 409
Interest paid	(47 062)	(51 271)	(79 605)
Dividends received	9 586	–	–
Dividends paid	(23 260)	(128 000)	–
Taxation paid	(9 422)	–	(22 501)
Cash flows from investing activities	234 552	192 232	113 765
Additions property, plant and equipment	(2 721)	(20 194)	(876)
Additions to investment property	(3 734)	(1 878)	(579)
Proceeds on disposal of investment property classified as held for sale	133 001	398 395	131 245
Proceeds on disposal of investment property	–	–	1 198
Loans repaid	–	–	306
Additional investment in joint venture	–	–	(10 926)
Repayment/(advance) of loan to Inception (reading) S.à.r.l.	136 908	1 963	–
Commission paid	(1 465)	(863)	(4 434)
Investment in unlisted property fund	(31 438)	(175 767)	–
Escrow funds received relating to the sale of a property	4 665	466	–
Tenant installation required	(664)	(9 890)	(2 169)
Cash flow from financing activities	(96 671)	(138 056)	(190 910)
Treasury shares acquired	(2 408)	(9 517)	–
Settlement of the cross currency swap	–	–	–
Proceeds from external loans and derivative financial instruments	55 000	130 000	–
Repayment of external loans and derivative financial instruments	(142 873)	(257 880)	(190 674)
Debt structuring fees paid	(6 278)	(417)	–
Lease liability payment	(112)	(242)	(236)
Net change in cash and cash equivalents	145 599	(43 605)	(24 685)
Effect of exchange rate movement in cash and cash equivalents	11 028	26 373	(4 308)
Cash and cash equivalents at beginning of the year	122 278	360 085	142 191
Cash and cash equivalents at end of the year 12	278 903	342 853	113 198

TRADING HISTORY

The table below sets out the price history of the Texton Shares traded on the JSE, disclosing the aggregate volumes and values traded, and the highest and lowest prices traded, for each month over the 12 months up to the Last Practicable Date, and each JSE trading day over the 30 JSE trading days preceding the Last Practicable Date.

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value traded (Rand)
Monthly					
May-22	380	326	380	3 300 000	11 730 000
Jun-22	380	339	370	387 053	1 372 540
Jul-22	375	340	355	110 326	383 560
Aug-22	365	345	360	511 561	1 807 680
Sep-22	359	309	310	1 840 000	6 220 830
Oct-22	350	250	264	1 510 000	4 562 730
Nov-22	319	265	280	259 695	709 410
Dec-22	280	249	260	66 589	171 450
Jan-23	260	200	229	443 168	1 014 320
Feb-23	229	180	204	2 330 000	4 759 430
Mar-23	270	210	230	1 100 000	2 660 930
Apr-23	301	211	298	383 313	920 850
Last 30 trading days					
Daily					
13-Apr-23	240	240	240	–	–
14-Apr-23	240	240	240	–	–
17-Apr-23	301	230	250	52 100	122 560
18-Apr-23	299	232	299	22 678	54 400
19-Apr-23	300	300	300	300	900
20-Apr-23	300	300	300	–	–
21-Apr-23	300	300	300	–	–
24-Apr-23	298	298	298	14	42
25-Apr-23	298	298	298	–	–
26-Apr-23	298	298	298	–	–
28-Apr-23	298	298	298	–	–
2-May-23	275	240	250	854 656	2 135 610
3-May-23	250	250	250	–	–
4-May-23	250	250	250	15 200	38 000
5-May-23	250	250	250	12 250	30 630
8-May-23	246	246	246	7 900	19 430
9-May-23	246	241	241	26 982	65 640
10-May-23	241	241	241	30 983	74 670
11-May-23	241	241	240	16 300	39 180
12-May-23	241	241	241	–	–
15-May-23	241	241	241	4 500	10 850
16-May-23	241	241	241	1 180	2 844
17-May-23	241	241	241	–	–
18-May-23	241	241	241	15 500	37 630
19-May-23	241	240	240	53 411	128 872
22-May-23	241	241	240	12 500	30 120
23-May-23	250	240	241	14 800	35 680
24-May-23	241	241	241	25 000	60 250
25-May-23	241	241	241	–	–
26-May-23	241	241	241	7 000	16 870

STATUTORY REQUIREMENTS IN RESPECT OF THE REPURCHASE

- 1.1 Given that the Repurchase will result in Texton acquiring in excess of 5% of Texton's issued share capital, the Repurchase is subject to the provisions of sections 48, 114 and 115 of the Companies Act.
- 1.2 In terms of section 115 of the Companies Act, the Repurchase may only be implemented if:
 - 1.2.1 the Special Resolution is approved in terms of section 115 of the Companies Act (requiring a 75% majority of Texton shareholders present and entitled to exercise voting rights voting in favour of the resolution) by persons entitled to exercise voting rights on such matter (being those Texton shareholders registered as such on the voting record date) at the General Meeting and at which meeting sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on that matter; and
 - 1.2.2 the TRP has issued a compliance certificate in respect of the Repurchase in terms of section 115(1)(b) of the Companies Act
- 1.3 Despite the Special Resolution having been adopted approving the Repurchase, the Company may not proceed to implement the Repurchase without the approval of the court if:
 - 1.3.1 the Special Resolution was opposed by at least 15% of the voting rights that were exercised on that resolution, and within 5 business days after the vote, any person who voted against the Special Resolution requires the company to seek court approval; or
 - 1.3.2 the court, on application within 10 Business Days after the vote by any person who voted against the Special Resolution, grants that person leave to apply to a court for a review of the Repurchase.
- 1.4 If the Special Resolution requires approval by a court as contemplated in terms of paragraph 21.3.1, the company must either:
 - 1.4.1 within 10 Business Days after the vote apply to the court for approval, and bear the costs of that application; or
 - 1.4.2 treat the Special Resolution as a nullity.
- 1.5 On application contemplated in paragraph 5.3.2, the court may grant leave to that person to apply to court for a review of the Repurchase only if satisfied that the applicant:
 - 1.5.1 is acting in good faith;
 - 1.5.2 appears prepared and able to sustain the proceedings; and
 - 1.5.3 has alleged facts which if proved would support an order in terms of paragraph 5.6 below.
- 1.6 On reviewing the Special Resolution that is the subject of an application contemplated in paragraph 5.4.1 or after granting leave as contemplated in paragraph 5.5, the court may set aside the Special Resolution only if:
 - 1.6.1 the resolution is manifestly unfair to the company's shareholders; or
 - 1.6.2 the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Memorandum of Incorporation of the Company or other significant and material procedural irregularity.
- 1.7 A copy of section 115 of the Companies Act is attached to the notice of General Meeting forming part of this Circular as Annexure 4.

EXTRACT OF SECTION 115 OF THE COMPANIES ACT – REQUIRED APPROVAL FOR TRANSACTIONS CONTEMPLATED IN PART OF CHAPTER 5 OF THE COMPANIES ACT

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and
 - (b) to the extent that Parts B and C of this Chapter and the Takeover Regulations apply to a company that proposes to:
 - (i) dispose of all or the greater part of the assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,the Panel has issued a compliance notice in respect of the transaction in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
 - (a) by a Special Resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter; and
 - (b) by a Special Resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iii) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary substantially constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution, and any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) present in satisfaction of the quorum requirement; or
 - (b) voted in support of a resolution.
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.

- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and(c) has alleged facts which, if proved, would support an order in terms of subsection (7).
- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a Special Resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that Special Resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger."

EXTRACT OF SECTION 164 OF THE COMPANIES ACT – DISSENTING SHAREHOLDERS APPRAISAL RIGHTS

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113, or 114,
 that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.

- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must state:
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable, the company must send to each shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made. (13.) If a shareholder accepts an offer made under subsection (12):
 - (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or
 - (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and

- (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
 - (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
 - (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands, in which case the shareholder is reinstated to their full rights as a shareholder, or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept the offer made by the company in terms of subsection (11), in which case:
 - (a) that shareholder must comply with the requirements of subsection (13)(a); and
 - (b) the company must comply with the requirements of subsection (13)(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.
- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
 - (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
 - (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
 - (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case, a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

TEXTON

PROPERTY FUND

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)

JSE share code: TEX
ISIN: ZAE000190542

NOTICE OF GENERAL MEETING OF TEXTON SHAREHOLDERS

Notice is hereby given that a General Meeting of Texton Shareholders will be held electronically on Friday, 30 June 2023 at 16:00 for the purpose of considering and, if deemed fit, passing with or without modification, the special resolution and ordinary resolution set out below.

2023

Record date in order to receive the Circular	Friday, 26 May
Last day to trade in order to be recorded in Texton's share Register to be eligible to vote at the General Meeting	Tuesday, 20 June
Voting Record Date to be able to vote at the General Meeting	Friday, 23 June
Electronic participation application form to be received by no later than 16:00 on	Thursday, 29 June
Forms of proxy to be received by no later than 16:00 on	Wednesday, 28 June
General meeting to be held at 16:00 on	Friday, 30 June

Where appropriate and applicable, the terms defined in the Circular to which this notice of General Meeting is attached and forms part of, bear the same meanings in this notice of General Meeting, and in particular in the resolution 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 and participate in and vote at the General Meeting in the place of the Shareholder, by completing the proxy in accordance with the instructions set out therein; a proxy need not be a Shareholder of the Company; and
- Texton 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 Texton Shareholders recorded in the Register of the Company on the Voting Record Date will be required to provide identification satisfactory to the chairman of the General Meeting. Forms of identification include valid identity documents, driver's licenses and passports.

Shareholders of the Company registered as such on the Voting Record Date are asked to consider and, if deemed fit, to pass, with or without modification, the Special Resolution referred to herein.

SPECIAL RESOLUTION NUMBER 1: APPROVAL OF THE REPURCHASE IN TERMS OF SECTIONS 48(8) (B), 114(1)(E) AND 115(2)(A) OF THE COMPANIES ACT AND PARAGRAPH 5.69 OF THE JSE LISTINGS REQUIREMENTS TERMS OF SECTIONS 48 (8)

"RESOLVED THAT Texton be and is hereby authorised, in terms section 48(8)(b) read with sections 114(1)(e) and 115(2)(a) of the Companies Act, as a specific authority in terms of paragraph 5.69 of the JSE Listings Requirements, and in terms of the Texton MOI, to repurchase 72 129 048 Texton shares (representing approximately 19,8% of the total issued Texton Shares) at a price of R2,15 per Texton share from the PIC, subject to the Repurchase Conditions and the other terms set out in the Circular, and upon implementation of the Repurchase, to delist the Repurchase Shares and restore such Texton Shares to the authorised, but unissued, share capital of Texton."

Voting Requirement

Special Resolution Number 1 will, in terms of the Companies Act and the JSE Listings Requirements, require support of at least 75% of the voting rights exercised thereon at the General Meeting by the Shareholders present in person or represented by proxy, excluding the votes of the Excluded Shareholders not entitled to vote, to be approved.

A quorum for the purposes of considering the Special Resolution shall comprise 25% of the total number of votes exercisable by shareholders, excluding the Excluded Shareholders.

Reason and effect

The reason for Special Resolution Number 1 is for Shareholders to approve the Repurchase in terms of sections 48(8)(b) and 115(2)(a) of the Companies Act and paragraph 5.69 of the JSE Listings Requirements. In terms of section 48(8)(b) of the Companies Act, the Repurchase is subject to the requirements of section 114 and 115 of the Companies Act if, considered alone, or together with other transactions in an integrated series of transactions, it involves the acquisition by the Company of more than 5% of the issued shares of any particular class of the Company's shares.

SPECIAL RESOLUTION NUMBER 2 – REVOCATION OF SPECIAL RESOLUTION NUMBER 1 IF THE REPURCHASE DOES NOT BECOME UNCONDITIONAL, IS NOT CONTINUED AND DISSENTING SHAREHOLDERS HAVE EXERCISED APPRAISAL RIGHTS UNDER SECTION 164 OF THE COMPANIES ACT

“RESOLVED THAT, as a special resolution in terms of section 164(9)(c) of the Companies Act subject to and in the event of –

- (i) Special Resolution Number 1 being approved by the Shareholders;
- (ii) the Repurchase not becoming unconditional for whatever reason;
- (iii) the Company making an announcement in writing to Shareholders to the effect that the Repurchase shall not be continued or pursued any further, made unconditional or revived; and
- (iv) any Dissenting Shareholders of Texton having exercised their Appraisal Rights under section 164 of the Companies Act,

Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Shareholder that has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Shares, shall have no rights to be so paid under section 164 of the Companies Act in that the Repurchase did not and shall not become effective.”

Voting requirement

The percentage of voting rights that will be required for this special resolution to be adopted is at least 75% of the voting rights exercised on the resolution by Shareholders (eligible to vote) present in person or represented by proxy at the General Meeting.

Reason and effect

Special Resolution Number 1 is revoked with effect from the date of the announcement contemplated in (iii) above, as contemplated in section 164(9)(c) of the Companies Act, and accordingly any Shareholder that has sent a demand to the Company in terms of sections 164(5) to (8) of the Companies Act to be paid the fair value of its Shares, shall have no rights to be so paid under section 164 of the Companies Act in that the Repurchase did not and shall not become effective.

Special Resolution Number 2 will only be put to Shareholders to vote on if Texton receives written notice from any Shareholder objecting to the Repurchase in terms of section 164(3) of the Companies Act.

By order of the Board

HSP Welleman
Chief executive officer

30 May 2023

TEXTON

PROPERTY FUND

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)

JSE share code: TEX

ISIN: ZAE000190542

ELECTRONIC PARTICIPATION IN THE GENERAL MEETING TO BE HELD ON FRIDAY, 30 JUNE 2023

All terms used in this Electronic Participation Form (*grey*) ("**Form**") shall, unless the context otherwise requires or they are otherwise defined herein, have the meanings attributed to them in the Circular to which this Form is attached.

The General Meeting will be hosted on an interactive electronic platform, in order to facilitate remote attendance and participation by Shareholders.

- Shareholders, or their proxies or representatives, who wish to participate in the General Meeting via electronic communication must apply to deliver the electronic participation registration form below to w.somerville@mweb.co.za as soon as possible, but in any event by no later than Thursday, 29 June 2023.
- General Meeting participants will be able to vote during the General Meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the General Meeting, must provide the information requested below.
- Each Shareholder, who has complied with the requirements of this Form, will be contacted by Texton by no later than Thursday, 29 June 2023 via email/mobile with a unique link to allow them to participate in the electronic General Meeting.
- The cost of the Shareholder's phone call or data usage will be at his own expense and will be billed separately by his own telephone service provider.
- The Shareholder's unique access credentials will be forwarded to the email/cell number provided below.

APPLICATION FORM

Name and surname of Shareholder	
Name and surname of Shareholder representative (<i>if applicable</i>)	
Identity number of Shareholder or representative	
Email address	
Mobile number	
Telephone number	
Number of Shares	
Signature	
Date	

TERMS AND CONDITIONS FOR PARTICIPATION AT THE GENERAL MEETING TO BE HELD AT 16:00 ON FRIDAY, 30 JUNE 2023 VIA ELECTRONIC COMMUNICATION

- The cost of dialling in using a telecommunication line/webcast/web-streaming to participate in the General Meeting is for the expense of the Shareholder and will be billed separately by the Shareholder's own telephone service provider.
- The Participant acknowledges that the telecommunication lines/webcast/web-streaming and verification and meeting voting and participation services ("**the services**") are provided to the Company by a third party and are (among others) dependent on technological and other functionality which cannot be guaranteed, and that the participant thus uses such services entirely at its own risk.
- Participants will be able to vote during the General Meeting through an electronic participation platform. Such participants, should they wish to have their vote(s) counted at the General Meeting, must act in accordance with the requirements set out above.
- Once the Shareholder has received the link, the onus to safeguard this information remains with the Participant.
- A participant will only be eligible to participate and/or vote electronically at the meeting if this registration form has been fully completed and signed by the participant, including the required supporting documents, and emailed to w.somerville@mweb.co.za, and such identification and related registration request is satisfactorily verified in accordance with the provisions.

Shareholder name
Signature
Date

Important: You are required to attach a copy of your identity document/driver's licence/passport when submitting the application. In addition, in respect of any Shareholder who is a juristic person, you must also submit copies of registration documents together with the authorising resolution authorising you as the representative of such Shareholder at the General Meeting.

TEXTON

PROPERTY FUND

TEXTON PROPERTY FUND LIMITED

Granted REIT status by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE share code: TEX | ISIN: ZAE000190542

FORM OF PROXY – GENERAL MEETING OF TEXTON SHAREHOLDERS

Where appropriate and applicable the terms defined in the Circular to which this form of proxy is attached and forms part of shall bear the same meaning in this form of proxy.

For use by the holders of certificated shares and/or dematerialised shares held through a CSDP or broker who have selected own name registration, registered as such at the close of business on the Voting Record Date, at a meeting of Shareholders to be held electronically at 16:00 on Friday, 30 June 2023 (“**General Meeting**”) or any postponement or adjournment thereof.

Holders of Texton dematerialised shares who have not selected own name registration must inform their CSDP or broker timeously of their intention to attend and vote at the General Meeting or be represented by proxy thereat in order for the CSDP or broker to issue them with the necessary letter of representation to do so or provide the CSDP or broker timeously with their voting instruction should they not wish to attend the General Meeting in order for the CSDP or broker to vote in accordance with their instructions at the General Meeting.

I/We (names in full)

(BLOCK LETTERS PLEASE)

of (address)

being the holders of shares in Texton, hereby appoint (see note 1)

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairman of the General Meeting,
as my/our proxy to act for me/us on my/our behalf at the General Meeting in accordance with the following instructions (see note 2):

	Number of votes		
	For*	Against*	Abstain*
SPECIAL RESOLUTION NUMBER 1 Approval of the Repurchase in terms of sections 48(8)(b), 114(1)(e) and 115(2)(a) of the Companies Act			
SPECIAL RESOLUTION NUMBER 2 Revocation of Special Resolution Number 1 in terms of section 164(9)(c) of the Companies Act			

* One vote per Share held by Texton Shareholders recorded in the Register on the Voting Record Date.

Signed at _____ on _____ 2023

Signature _____

Assisted by me (where applicable)

NOTES:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided. The person whose name appears first on this 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.
2. A proxy appointed by a Shareholder in terms hereof may not delegate his authority to act on behalf of the shareholder to any other person.
3. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the General Meeting as he deems fit in respect of all the shareholder's votes exercisable thereat.
4. Forms of proxy must be lodged at or posted to Computershare Investor Services Proprietary Limited, 15 Biermann Avenue, Rosebank, Rosebank Towers, 2196 (Private Bag X9000, Saxonwold, 2132) to be received by not later than 16:00 on Wednesday, 28 June 2023 or 10 minutes before the General Meeting is due to commence, or not less than 48 hours before the recommencement of any adjourned or postponed meeting.
5. 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 in terms hereof, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Company. 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 at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
6. The Chairman of the General Meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
7. Each Shareholder is entitled to appoint one or more proxies (none of whom need be a member of Texton) to attend, speak and vote in place of that shareholder at the General Meeting.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Texton or Computershare Investor Services Proprietary Limited or waived by the Chairman of the General Meeting.
9. Any alteration or correction made to this form of proxy must be initialed by the signatory(ies).
10. Where there are joint holders of shares:
 - 10.1. any one holder may sign the form of proxy; and
 - 10.2. the vote of the senior (for that purpose seniority will be determined by the order in which the names of Shareholders appear in the Register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of Texton Shares.
11. This form or 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.
12. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

NOTES TO THE FORM OF PROXY: SUMMARY OF RIGHTS ESTABLISHED IN TERMS OF SECTION 58 OF THE COMPANIES ACT

58. Shareholder right to be represented by proxy

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment,unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by:
 - (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
 - (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
- (5) 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:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the company for doing so.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

- (8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
- (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder.

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