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## ACQUISITION OF VARIOUS PORTFOLIOS OF RESIDENTIAL PROPERTIES, AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

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### 1. INTRODUCTION AND RATIONALE

Further to the cautionary announcement released on 12 June 2017, the board of directors of Indluplace (the "**Board**") is pleased to announce that Indluplace and its wholly owned subsidiary Friedshelf 1781 Proprietary Limited ("**Subco**") have concluded agreements (the "**transaction agreements**") with multiple vendors (collectively "**the vendors**"), some of whom are members of or affiliated to the Buffet group of entities ("**the Buffet group**"), to in effect acquire, through a variety of transaction mechanisms, three residential property portfolios comprising approximately 2 900 residential units ("**the portfolios**"), for an effective transaction consideration of approximately R1.4 billion (the "**transaction consideration**") ("**the transactions**").

The transactions are in line with the Company's strategy to grow its residential portfolio through acquiring yield enhancing properties and portfolios that provide income from the first day of acquisition. The proposed transactions will enhance the Company's current portfolio with diverse, well located, quality properties and further establishes Indluplace as the residential income property consolidator in South Africa.

In addition, the Company has secured a right of first refusal from the relevant members and partners of the well-respected Buffet group who are vendors, in respect of further residential properties with an aggregate value of up to R500 million. It is anticipated that there will be a continuing relationship with the Buffet group, which will be beneficial to the Company.

### 2. TERMS OF THE TRANSACTIONS

#### 2.1 The first portfolio transaction

- 2.1.1 The properties comprising the "first portfolio" as described in paragraph 3 ("**the first portfolio**") are all owned by companies ("**the first portfolio companies**") whose shares are held by the relevant vendors described in paragraph 3.
- 2.1.2 The relevant transaction agreements comprise subscription and share purchase agreements, pursuant where to the first portfolio companies will be constituted as wholly-owned subsidiaries of Subco ("**the first portfolio transactions**").
- 2.1.3 The subscription consideration payable by Subco in terms of the relevant transaction agreements is in each case an amount equal to the agreed value attributable to the property held by the first portfolio companies, as set out in paragraph 3, adjusted for working capital items.
- 2.1.4 The subscription consideration is payable in cash. The Company will subscribe for shares in Subco to capitalise Subco so that Subco is able to pay such subscription consideration. The Company may elect to fund such capitalisation in whole or in part by way of debt funding or a specifically approved share placement, a vendor consideration placing or other share placement.
- 2.1.5 The first portfolio transactions will become commercially effective, and the subscription consideration will be payable on, the later of 1 July 2017 or the 1st day of the month following the month in which the last of the conditions precedent referred to below has been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the relevant parties ("**the effective date**").
- 2.1.6 If the effective date has not occurred by 1 July 2017, the value attributable to the first portfolio shall escalate at an annual rate of 5% from 1 July 2017 to the effective date.
- 2.1.7 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 2.1.8 The first portfolio transactions and the third portfolio transactions (as described below) are linked and indivisible, and are subject to the fulfilment or waiver, as the case may be, of the relevant conditions precedent set out in paragraph 2.5.

## 2.2 The second portfolio transaction

- 2.2.1 The properties comprising the "second portfolio" as described in paragraph 3 ("**the second portfolio**") have been sold to the Company by the relevant vendors described in paragraph 3 in terms of separate agreements ("**the second portfolio transactions**").
- 2.2.2 The purchase consideration payable by the Company in terms of each the relevant transaction agreements is set out in paragraph 3.
- 2.2.3 The purchase consideration is payable in cash. The Company may elect to fund such consideration in whole or in part by way of debt, a specifically approved share placement, a vendor consideration placing or other share placement.
- 2.2.4 The second portfolio transactions will become commercially effective, and the purchase consideration will be payable on, the later of 1 July 2017 or the 1st day of the month following the month in which the last of the relevant conditions precedent referred to below has been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the Parties ("**the effective date**").
- 2.2.5 If the effective date has not occurred by 1 July 2017, the value attributable to each property in the second portfolio, and therefore the relevant purchase consideration, shall escalate at an annual rate of 6% from 1 July 2017 to the effective date.
- 2.2.6 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 2.2.7 The second portfolio transactions are all separate and several transactions, and are not linked to or conditional upon any of the other transactions or each other.

## 2.3 The third portfolio transaction

- 2.3.1 The properties comprising the "third portfolio" as described in paragraph 3 ("**the third portfolio**") are in terms of the relevant transaction agreements acquired by the Company from the relevant vendors described in paragraph 3 in terms of asset-for-share transactions ("**the third portfolio transactions**").
- 2.3.2 The consideration payable by the Company in terms of each the relevant transaction agreements is set out in paragraph 3.
- 2.3.3 The consideration is in each case payable by way of the assumption of bank debt, with the balance being settled by the issue of shares in the Company to the relevant vendors ("**Indlu shares**"), such shares ("**the consideration shares**") to be issued at a price per share equal to the price achieved in any placement that the Company may have undertaken to fund all or part of the consideration payable in terms of the first portfolio transaction, and if there was no such placement, at a price equal to the higher of the closing price and the 5-day-volume weighted average traded price of Indlu shares on the JSE on the day before the effective date (as defined below).
- 2.3.4 The third portfolio transactions will become commercially effective, and the consideration will be payable on, the later of 1 July 2017 or the 1st day of the month following the month in which the last of the relevant conditions precedent referred to below have been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the Parties ("**the effective date**").
- 2.3.5 If the effective date has not occurred by 1 July 2017, the value attributable to the third portfolio, and therefore the relevant consideration, shall escalate at an annual rate of 5% from 1 July 2017 to the effective date.
- 2.3.6 Those properties comprising the third portfolio which are described as the "tranche 2" properties in paragraph 3, have recently been developed and are still being tenanted. In the circumstances the following additional arrangements apply in relation to those properties:
- 2.3.6.1 the initial consideration for the relevant property is as set out in paragraph 3;
- 2.3.6.2 the relevant vendors provide an income guarantee to the Company, which will ensure that the net operating income derived from the relevant properties for the initial period of one year is not less than the currently forecast net operating income for the relevant property;
- 2.3.6.3 at the end of the initial period of one year (which period is subject to extension in certain circumstances), the actual net income derived from the relevant property for such initial period will be determined and the property will be revalued based on such actual net income and by applying a yield of 9.5%;
- 2.3.6.4 such valuation may result in the payment of additional consideration for the relevant property to the relevant vendor or a price reduction amount payable by the relevant vendor, ultimately resulting in an acquisition yield of 9.5% on the actual normalised net operating income; and

- 2.3.6.5 pending the determination of any upward or downward adjustment to the consideration, the Company shall on the effective date advance to the relevant vendors an amount equal to the value of the property that would have applied had it been valued by applying an acquisition yield of 9.5% to the forecast net operating income for the initial period less the initial consideration.
- 2.3.7 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 2.3.8 In terms of a placement and underwriting agreement ("**the placement and underwriting agreement**") entered into with each of the relevant vendors, the Company shall, if the relevant vendor elects before the effective date to dispose of its consideration shares, act as its placing agent on the basis that it shall ensure that its consideration shares are placed (whether by way of a book-build, treasury repurchases or otherwise) at a price not lower than the price at which they were issued less any distribution that may have been paid in respect of the consideration shares, failing which the Company shall pay an additional amount to the vendor and/or procure that the consideration shares are purchased into treasury by a subsidiary of the Company, in such amount/at such price as may be required to ensure that the relevant vendor realises an aggregate amount which is not less than the aggregate price at which all the consideration shares were issued less any distributions received in respect thereof.
- 2.3.9 The third portfolio transactions and the first portfolio transactions are linked and indivisible, and are subject to the fulfilment or waiver, as the case may be, of the conditions precedent set out in paragraph 2.5.

## 2.4 Other arrangements

- 2.4.1 The Fynbos Trust, an entity affiliated with the Buffet group, will by way of a separate written guarantee ("**the Fynbos Trust Guarantee**") guarantee *inter alia* certain warranty, indemnity and delivery obligations of the vendors under the first portfolio transaction and the third portfolio transaction.
- 2.4.2 Each of the vendors under the first portfolio transaction and the third portfolio transaction who are members of the Buffet group or its partners have granted to the Company a right of first refusal agreement ("**the right of first refusal agreement**") in respect of certain further residential properties with an aggregate value of up to R500 million.
- 2.4.3 As a result the Company and Buffet Trustees Proprietary Limited have entered into an agreement ("**the loan and subscription agreement**") in terms whereof the Company will issue to an entity associated with the Buffet group Indlu shares to a value of between R240 million to R250 million, at an issue price of R10.73 per Indlu share ("**the Buffet Shares**"), and will advance to such entity by way of a loan the funds required to subscribe for the Buffet shares. The loan is for a period of 10 years and carries interest in an amount equal to the distributions paid in respect of the Buffet shares. The Buffet shares serve as security for the loan and their disposal is subject to certain time restrictions in respect of which such entity may only sell a certain percentage of such shares over a 3, 4 and 5 year period. Any proceeds derived from the disposal of each of the Buffet shares equal to the original cost of such share must be used to repay the loan.

## 2.5 Conditions precedent

- 2.5.1 The first portfolio transactions and the third portfolio transactions are subject to the fulfilment or waiver, as the case may be, of the following outstanding conditions precedent:
- 2.5.1.1 by not later than 2 business days from the date of signature of the principal transaction agreement, being 19 June 2017 ("**the signature date**"), the Fynbos Trust has executed the Fynbos Trust guarantee;
- 2.5.1.2 by not later than 2 business days from the signature date, the right of first refusal agreement has been entered into;
- 2.5.1.3 by not later than 2 business days from the signature date, the agreements in respect of the first portfolio transactions and the third portfolio transactions have been entered into;
- 2.5.1.4 by not later than 5 business days from the signature date, the Company has furnished the relevant vendors with written notice that it is satisfied with its financial and tax due diligence investigation undertaken in respect of the relevant properties and/or companies, as applicable;
- 2.5.1.5 by not later than 5 business days from the signature date, the vendors in respect of the first portfolio companies have delivered copies of the most recent audited accounts of the first portfolio companies to the Company;
- 2.5.1.6 by not later than 10 July 2017, the board of directors of the Company has authorised the entering into of first portfolio transactions and the third portfolio transactions and the relevant transaction agreements;
- 2.5.1.7 by not later than 10 July 2017, the investment committee of the Company's board of directors has unconditionally approved the first portfolio transactions and the third portfolio transactions and the relevant transaction agreements;
- 2.5.1.8 by not later than 10 July 2017, Arrowhead Properties Limited has provided an irrevocable undertaking to vote its shares in the Company in favour of the resolutions to be proposed at the meeting of shareholders of

the Company called in order to approve, inter alia, the first portfolio transactions and the third portfolio transactions;

2.5.1.9 by not later than 31 August 2017, all applicable debt and hedge providers have, to the extent required, provided such consents or approvals, in writing, as may be required in order for the first portfolio transactions and the third portfolio transactions to be implemented;

2.5.1.10 by not later than 10 September 2017, the Company and the first portfolio companies have obtained all requisite approvals from their directors, shareholders, the JSE, the Takeover Panel and any other regulatory authority in connection with the implementation of the first transactions and the third transactions, including resolutions adopted by the requisite majority of the Company's shareholders in accordance with the JSE Listings Requirements and the Companies Act, including a specific authority to effect any treasury repurchases pursuant to the placement and underwriting agreement, the specific issue of shares for in terms of the loan and subscription agreement, and approval required in terms of section 44 of the Companies Act to provide the loan in terms of the loan and subscription agreement;

2.5.1.11 by not later than 29 September 2017, the first transactions and the third transactions have been approved by the applicable Competition Authorities; and

2.5.1.12 by not later than 29 September 2017, each of the agreements relating to first transactions and the third transactions has become unconditional in accordance with its terms, save for any condition therein requiring any other such agreement to become unconditional.

2.5.2 The second portfolio transactions are subject to the fulfilment or waiver, as the case may be, of the following outstanding conditions precedent:

2.5.2.1 the management agreement being entered into between the Company and Amorispan Proprietary Limited by no later than 30 June 2017;

2.5.2.2 the sellers passing resolutions approving the second transactions within 10 business days of the signature date;

2.5.2.3 by not later than 10 July 2017, the investment committee of the Company's board of directors has unconditionally approved the second portfolio transactions and the relevant transaction agreements;

2.5.2.4 within 60 business days of the signature date, the Company has obtained all requisite approvals (to the extent necessary) from the Competition Commission, its shareholders, the JSE and any other regulatory authority in connection with the implementation of the second transactions; and

2.5.2.5 within 10 business days of receiving the approvals referred in the paragraph immediately above, the sellers confirming that no third party has any options, pre-emptive rights or similar rights over the subject of the second transactions.

### 3. OVERVIEW OF THE PROPERTY PORTFOLIOS AND DESCRIPTION OF VENDORS

Property name	Vendor	Geographical location	Sector	Residential units (no)	Average residential rental/unit (R/month)	Total retail GLA (m <sup>2</sup> )	Net retail rental per m <sup>2</sup> (R)	Transaction value (R)
<b>THE FIRST PORTFOLIO TRANSACTION</b>								
Golden Oaks	Yieldex 1, 4, 7 & 10 (Pty) Ltd	Boksburg, Gauteng	Townhouse complex	165	4 669	-	-	73 609 272
Trejon	Unlocked Properties 6 (Pty) Ltd	Florida, Gauteng	Suburban walk-up	34	5 050	-	-	15 131 947
Belgrade	Unlocked Properties 13 (Pty) Ltd	Florida, Gauteng	Suburban walk-up	44	4 308	-	-	16 463 208
Telmond & Hollyland	Unlocked Properties 14 (Pty) Ltd	Bramley Park, Gauteng	Townhouse complex	53	7 875	-	-	39 000 000
Progress House	Ixonix (Pty) Ltd	Randburg, Gauteng	Suburban highrise	75	4 521	1 177	66	41 388 752
Windmill	Unlocked Properties 12 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city highrise	91	4 192	149	107	35 946 947
Villa Kazi	Unlocked Properties 21 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city highrise	100	1 932	55	427	12 687 078
Skypark	Unlocked Properties 11 (Pty) Ltd	South Beach, Durban	Inner city highrise	39	4 822	509	64	17 407 846
Brixton	Unlocked Properties 1 (Pty) Ltd	Brixton, Gauteng	Suburban walk-up - students	43	-	-	-	10 017 477

Property name	Vendor	Geographical location	Sector	Residential units (no)	Average residential rental/unit (R/month)	Total retail GLA (m <sup>2</sup> )	Net retail rental per m <sup>2</sup> (R)	Transaction value (R)
Trifecta	Unlocked Properties 10 (Pty) Ltd	Greyville, Durban	Suburban walk-up - students	80	-	-	-	25 703 375
1 Eloff	Buffshelco 7 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city walk-up	320	3 853	-	-	110 347 099
Pomegranate Heights	First Residential Project (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city walk-up	116	2 977	-	-	24 403 818
Delvers Deep	Vasalolor (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city highrise	33	2 721	152	210	9 468 916
<b>THE SECOND PORTFOLIO TRANSACTION</b>								
Remeds View	Artisans Trust	Jeppestown, Gauteng	Inner city walk-up	35	5 800	267	140	19 212 010
Amberfield Village	Propsky 2 (Pty) Ltd	Vanderbijlpark Gauteng	Suburban walk-up - students	102	-	-	-	59 839 252
Park Village	Propsky 4 (Pty) Ltd	Vanderbijlpark Gauteng	Suburban walk-up - students	109	-	-	-	88 433 459
<b>THE THIRD PORTFOLIO TRANSACTION</b>								
<b>TRANCHE 1</b>								
Rhodesfield	Buffshel 63 Trust	Rhodesfield, Gauteng	Suburban walk-up	62	4 444	-	-	26 369 308
Cranborough Mews	Buffshel 51 Trust	Windsor, Gauteng	Suburban walk-up	48	4 930	-	-	22 805 288
Rothchild Manor	Buffshel 51 Trust	Roodepoort, Gauteng	Townhouse complex	74	5 500	-	-	34 854 807
Upper East Side	Buffshel 51 Trust	Boksburg, Gauteng	Townhouse complex	52	6 554	-	-	34 313 743
Villa Mia	Buffshel 51 Trust	Benoni, Gauteng	Townhouse complex	81	5 411	-	-	40 595 491
Rand President	Buffshel 51 Trust	Randburg, Gauteng	Suburban walk-up	48	5 301	-	-	24 076 138
Summer Place	Buffshel 51 Trust	Kloofendal, Gauteng	Townhouse complex	49	8 131	-	-	41 315 689
Logan's View	Buffshel 62 Trust	Liefde En Vrede, Gauteng	Townhouse complex	42	7 906	-	-	37 889 208
Sunset View	Buffshel 62 Trust	Liefde En Vrede, Gauteng	Townhouse complex	30	6 493	-	-	22 977 851
Kilimanjaro	Buffshel 62 Trust	Alberton, Gauteng	Townhouse complex	92	4 950	-	-	53 667 244
Jackson's Cove	Buffshel 62 Trust	Alberton, Gauteng	Townhouse complex	88	4 967	-	-	46 729 123
Sparrow Hawk	Buffshel 62 Trust	Germiston, Gauteng	Townhouse complex	97	5 000	-	-	49 423 496
Kings	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	21	5 000	-	-	8 287 982
Samuel	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	21	5 000	-	-	8 448 220
Ezra	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	24	3 800	-	-	8 384 361
Chronicles	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	24	3 800	-	-	7 451 110
Levicitus	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	24	3 800	-	-	8 859 418
Exodus	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	24	3 800	-	-	8 682 022
Genesis	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	24	3 800	-	-	8 861 178
Judges	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	21	5 000	-	-	8 670 754
Nehemiah	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	30	4 760	-	-	11 664 949
Deuteronomy	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	18	6 600	-	-	10 058 347
Numbers	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	18	6 600	-	-	10 477 178
Joshua	Buffshel 74 Trust	Kempton Park, Gauteng	Suburban walk-up	21	6 800	-	-	10 322 747
Ruth	Buffshel 74 Trust	Kempton Park, Gauteng	School	-	-	1 080	103	6 999 525

**THE THIRD PORTFOLIO TRANSACTION**

Property name	Vendor	Geographical location	Sector	Residential units (no)	Average residential rental/unit (R/month)	Total retail GLA (m <sup>2</sup> )	Net retail rental per m <sup>2</sup> (R)	Transaction value (R)
<b>TRANCHE 2</b>								
Noordheuwel Heights	Buffshelf 51 Trust	Krugersdorp, Gauteng	Townhouse complex	51	6 038	-	-	31 900 130
Germiston	Buffshelf 62 Trust	Germiston, Gauteng	Suburban walk-up	44	3 497	-	-	15 241 621
Waterfront	Buffshelf 62 Trust	Germiston, Gauteng	Townhouse complex	30	6 280	-	-	16 677 084
Arches	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	42	4 386	-	-	20 186 247
Cedar Valley	Buffshelf 92 Trust	Rosettenville, Gauteng	Townhouse complex	58	5 921	-	-	35 549 570
Westwood and Huntingdon Place	Buffshelf 92 Trust	Boksburg, Gauteng	Townhouse complex	28	8 200	-	-	22 694 148
Maria Mansions	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	33	4 388	-	-	13 023 281
Robwill Mansions	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	54	4 563	-	-	25 096 915
Springbok Court	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	40	4 000	-	-	17 316 366
Surrey	Buffshelf 51 Trust	Randburg, Gauteng	Suburban walk-up	62	6 352	-	-	41 151 765
<b>Total</b>				<b>2 914</b>	<b>4 264</b>	<b>3 389</b>	<b>98</b>	<b>1 390 082 760</b>

The net operating income attributable to the first, second and third portfolio transactions, for the 12 months ended 30 June 2018, is approximately R141 million. This information has not been reviewed or reported on by independent reporting accountants.

The transaction consideration attributable to the first, second and third portfolio transactions is considered to be its fair market value, as determined by the directors of the Company. The directors of the Company are not independent and are not registered as professional valuers or as professional associate valuers in terms of the Property Valuers Profession Act, No.47 of 2000. The value of the net assets acquired is R1 390 082 760.

Details of the portfolio based on unit type, average monthly rental, number of units and percentage of units are set out in the table below:

Unit Type	Average residential rental/unit (R/month)	Number of units	Percentage of units (%)
Bachelor	3 553	121	4.1
Room	877	227	7.8
One bedroom	4 184	787	27.0
Two bedroom	4 836	1470	50.5
Three bedroom	3 595	249	8.5
Four bedroom	8 318	60	2.1
<b>Total</b>	<b>4 264</b>	<b>2 914</b>	<b>100.0</b>

#### 4. FORECAST FINANCIAL INFORMATION

Set out below are extracts from the profit forecast of the portfolios (the “forecasts”) for the one month period to 30 September 2017 and the year ending 30 September 2018 (the “forecast period”). The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the Indluplace Board.

The forecasts have been prepared on the assumption that the transactions will be effective from 1 September 2017 and on the basis that the forecasts include forecast results for the duration of the forecast period. The forecasts have not been reviewed or reported on by independent reporting accountants. The forecasts have been prepared in accordance with Indluplace’s accounting policies, which are in compliance with International Financial Reporting Standards.

R'000	Forecast for the 1 month to 30 September 2017	Forecast for the year ending 30 September 2018
<b>Net rental income</b>	<b>15 779</b>	<b>195 268</b>
Net operating expenses	(4 404)	(53 273)
<b>Net operating income</b>	<b>11 375</b>	<b>141 995</b>
Finance charges	(5 659)	(67 907)
<b>Total profit and comprehensive income for the period/year</b>	<b>5 716</b>	<b>74 088</b>
<b>Profit available for distribution for the period/year</b>	<b>5 716</b>	<b>74 088</b>

#### Notes and assumptions:

The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the Board:

1. The forecasts have been prepared on an aggregated basis for the portfolio.
2. The forecasts are based on information derived from the management accounts of the portfolio, the budgets prepared by their respective management, rental contracts and independent property valuations.
3. Rental income is based on each property's rental agreement.
4. The operational cost structure of Indluplace is not anticipated to change as a result of the acquisition of the portfolio.
5. Finance costs are recognised at a weighted average cost of debt of 9.68% p.a on the cash portion of the transaction consideration, being approximately R702 million.
6. No properties are under development during the forecast period.
7. No fair value adjustments are applied to the portfolio over the forecast period.
8. All existing lease agreements are valid.

The forecasts incorporate the following material assumptions in respect of revenue and expenses that cannot be influenced by the Board:

1. The effective date of the transaction is assumed to be 1 September 2017.
2. There will be no unforeseen economic factors that will affect the lessee's ability to meet their commitments in terms of existing lease agreements.

## 5. CATEGORISATION OF THE TRANSACTION

In terms of the JSE Listings Requirements, the transactions collectively constitute a Category 1 transaction and therefore Indluplace shareholder approval is required. A circular convening a general meeting and providing further information on the transactions will be sent to Indluplace shareholders in due course.

Where any acquisition results in a company becoming a subsidiary of Indluplace, the Company will ensure that there are no provisions in the memorandum of incorporation that may frustrate or relieve the Company from compliance with the JSE Listings Requirements.

## 6. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Shareholders are referred to the cautionary announcement issued by Indluplace in relation to the transactions which was released on 12 June 2017 and are advised that on the basis of the above caution is no longer required to be exercised when dealing in the Company's shares.

20 June 2017

Corporate advisor and sponsor to Indluplace

**JAVACAPITAL**

Legal advisor

**CDH**  
CLIFFE DEKKER HOFMEYR