

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



UPDATE ON DISPOSAL OF NON-CORE PROPERTIES

Tower is pleased to advise shareholders it has accepted an offer, which is now unconditional, on the sale of the 7 967 m² Medscheme office property, in respect of which the lease was recently renewed for a period of 7 years (the "**Medscheme disposal**"). Pursuant to the Medscheme disposal Tower will receive a total consideration of R97.5 million equating to a 9.8% selling cap rate. As at 31 May 2019, the Medscheme property had a book value of R103 million.

Pursuant to the Medscheme disposal and the recently announced sale of the Meadowbrook property (which is in the process of being transferred to the purchaser) (the "**Meadowbrook disposal**"), Tower's like for like loan to value ratio will decrease to 31.6% (compared to 34.1% for the year ending 31 May 2019).

The Medscheme disposal forms part of Tower's strategy of selling non-core and lower growth properties, which it believes have reached full value, in order to realise capital for reinvestment in Tower's existing portfolio and other growth assets. The proceeds of the Medscheme and Meadowbrook disposals will be used to reduce Tower's loan to value particularly until the redevelopment of Old Cape Quarter is adequately de-risked. The proceeds from the disposal of non-core properties will also be utilised to acquire Tower shares if appropriate.

17 September 2019

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