

SAFARI INVESTMENTS RSA LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2000/015002/06)
Share code: SAR ISIN: ZAE000188280
(Approved as a REIT by the JSE Limited)
("Safari")

WITHDRAWAL OF PROPOSED OFFER BY SAFARI TO ACQUIRE ALL ISSUED SHARES OF FAIRVEST BY WAY OF A SCHEME OF ARRANGEMENT AND RENEWAL OF CAUTIONARY ANNOUNCEMENT

1. Background

Shareholders are referred to (i) the joint announcement of Safari and Fairvest Property Holdings Limited ("**Fairvest**") released on SENS on 1 July 2019 relating to an offer by Safari to acquire all issued shares of Fairvest by way of a scheme of arrangement, in order to give effect to a proposed friendly merger between Safari and Fairvest ("**Fairvest Merger**"), and (ii) the announcement released on SENS by Safari on 22 July 2019 ("**Comprop Announcement**") relating to the receipt by the board of directors of Safari ("**Safari Board**") of an unsolicited, binding written proposal from Community Property Company Proprietary Limited ("**Comprop**"), in terms of which Comprop notified the Safari Board of its firm intention to make a cash offer to acquire the entire issued ordinary share capital of Safari by way of a scheme of arrangement ("**Comprop Proposal**").

2. Termination of the Fairvest Merger

- 2.1. The Fairvest Merger was subject to, *inter alia*, approval being given by the requisite majority of Safari shareholders of the relevant resolutions required to authorise the implementation of the Fairvest Merger.
- 2.2. The Comprop Announcement noted that Comprop had obtained undertakings from, or on behalf of, five Safari shareholders holding 55.7% of Safari shares in issue (38.6%, excluding the 17.1% interest held by Southern Palace Capital Proprietary Limited ("**Southern Palace**"), which shares are voteable per paragraph 3.2 below), in terms of which undertakings they have, *inter alia*, irrevocably undertaken ("**Irrevocable Undertakings**") to vote against all resolutions required to effect the Fairvest Merger and to vote in favour of the Comprop Proposal. Four of these Safari shareholders, holding in excess of 25% of Safari shares in issue, have clarified their Irrevocable Undertakings to state that they intend to vote against the Fairvest Merger, in its current form, irrespective of the Comprop Proposal.
- 2.3. In light of these developments, the Fairvest Merger has, by mutual agreement between Safari and Fairvest, been terminated ("**Fairvest Termination**").

3. Comprop Proposal and clarification regarding voting rights exercisable by Southern Palace

- 3.1. As a result of the Fairvest Termination, and the resulting termination of the exclusivity provision contained in the agreement entered into with Fairvest, the independent board of Safari, constituted to consider the Comprop Proposal, is now in a position to properly engage with Comprop on the Comprop Proposal, as well as any other proposals that may be received.
- 3.2. Various Safari shareholders have requested clarification with regard to the voting rights in respect of the Safari shares held by Southern Palace. As noted in the Comprop Announcement, pursuant to a voting agreement between Southern Palace, Safari and Sanlam Life Insurance Limited concluded on or about 21 June 2019, the voting rights attaching to all of the Safari shares owned by Southern Palace are presently exercisable on its behalf by the Chief Executive Officer of Safari or other person designated for such purpose by the Safari Board from time to time. It is premature to express any opinion on how, or to what extent, the voting rights in the Safari shares which are subject to the voting agreement will be exercised, as such outcome will be informed by, among others, the Safari Board's evaluation of the Comprop Proposal, Safari shareholder considerations and other relevant factors. The Safari Board confirms however that, in the interests of transparent governance, any such voting rights exercised, or declined to be exercised, as the case may be, will be effected by or under the direction of the independent board of Safari or a member thereof.

4. Renewal of cautionary announcement

Safari shareholders are therefore advised to continue to exercise caution when dealing in Safari's securities until a further announcement is made, as the Comprop Proposal may have a material effect on the price of Safari's securities.

5. Responsibility statement

The Safari Board accepts responsibility for the information contained in this announcement insofar as it relates to Safari. To the best of its knowledge and belief, the information contained in this announcement is true and the announcement does not omit anything likely to affect the importance of the information.

14 August 2019
Centurion

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