

Newpark REIT Limited
(Incorporated in the Republic of South Africa)
(Registration number: 2015/436550/06)
JSE share code: NRL
ISIN: ZAE000212783
("Newpark" or "the company" or "the group")



ABRIDGED PRE-LISTING STATEMENT – OPENING OF OFFER TO INVITED INVESTORS TO SUBSCRIBE FOR SHARES AND LISTING OF NEWPARK ON THE ALTERNATIVE EXCHANGE OF THE JSE

Abridged pre-listing statement relating to:

- a private placement ("**the private placement**") to raise up to R62.5 million by way of an offer for subscription to invited investors for up to 10 million ordinary shares in the share capital of Newpark ("**private placement shares**") at an issue price of R6.25 per private placement share; and
- the subsequent listing of all of the issued shares of the company in the "Diversified REIT's" sector on the Alternative Exchange ("**AltX**") of the JSE ("**the listing**").

This abridged pre-listing statement is not an invitation to the public to subscribe for shares in the company, but is issued in compliance with the JSE Listings Requirements for the purpose of providing information to the public in relation to Newpark and to provide information to selected investors in relation to the private placement.

Invited investors will be contacted by and will receive application forms to participate in the private placement from the bookrunner, Java Capital.

This announcement contains the salient information in respect of Newpark, which is more fully described in the pre-listing statement ("**full pre-listing statement**") which will be made available to invited investors from today. For a full appreciation and understanding of Newpark, the private placement and the listing, the full pre-listing statement should be read in its entirety.

Terms defined in the full pre-listing statement bear the same meaning in this abridged pre-listing statement.

1. Introduction

The JSE has granted Newpark a listing of all of its issued shares on the JSE in the "Diversified REITs" sector of the AltX of the JSE under the abbreviated name: "Newpark", JSE share code: NRL and ISIN: ZAE000212783 with effect from the commencement of trade on Wednesday, 3 February 2016, subject to the company having satisfied the requirements of the Listings Requirements regarding the spread of shareholders, being public shareholders holding not less than 10% of the issued share capital of the company at the point of listing on the AltX.

2. History and nature of business

Newpark was registered and incorporated as a public company on 7 December 2015 for the purposes of listing the assets, being two A-grade commercial properties known as the JSE Building and 24 Central ("**the properties**"), owned by Newpark Towers Proprietary Limited ("**the subsidiary**"), which on listing, will be a wholly owned subsidiary of Newpark. The subsidiary has owned and operated the properties for several years. The properties are long term capital assets that the company believes have significant value and upside.

3. Investment and growth strategy

The company will, through its subsidiary, own 2 high quality anchor assets situated in the Sandton CBD. Newpark's investment strategy is to seek similar well positioned prime commercial properties that provide good

yielding income flows with a potential of upward rating on lease renewals and/or re-development opportunities within the medium (5 to 10 years) to long term (10 to 20 years).

4. Prospects

The group's intention is to focus on acquiring high quality properties in nodes which offer superior capital growth and annuity rental income.

The group will, from the listing date, own two buildings, namely the JSE which has 18 163m² of rentable space and an adjoining building known as 24 Central which has 15 084m² of rentable space. The company is projecting that distributable income for the year ended 28 February 2017 will be R49.5 million, which will equate to a distribution for the 100 million shares of 49.47 cents per share.

5. Directors

Name and age	Gary David Harlow (58)
Business address	Capital Hill, 6 Benmore Road, Sandton 2146
Qualification	BBusSci (Hons) (UCT), FCMA, CGMA, CA (SA)
Position	Chairman, independent non-executive director
Name and age	Simon Peter Fifield (39)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	BSc Survey, MSc Survey, CFA Charterholder
Position	CEO
Name and age	Ronnie Ralph Hill (57)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	B Com, Hons B Compt
Position	Financial director
Name and age	Dionne Traci Ellerine (48)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	B Com LLB
Position	Non-executive director
Name and age	Kevin Murray Ellerine (47)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	National Diploma in company administration
Position	Non-executive director
Name and age	Barry Daniel Van Wyk (50)
Business address	13 Wessels Road, Rivonia, Johannesburg, 2128
Qualification	CA(SA)

Position	Non-executive director
Name and age	Howard Charles Turner (73)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	CA (SA) SEP (Stanford)
Position	Independent non-executive director
Name and age	David Ivor Sevel (66)
Business address	51 West Street, Houghton Estate, Houghton, Johannesburg
Qualification	PLE
Position	Independent non-executive director

All of the directors are South African nationals

6. Property management

The property management function in respect of 24 Central, is outsourced on market-related terms to JHI Properties Proprietary Limited. The lease in respect of the JSE building is a triple net lease.

7. Summarised forecast information

Set out below are the summarised forecast statements of comprehensive income (“**summarised forecasts**”) for the year ending 29 February 2016 and the year ending 28 February 2017 (“**forecast periods**”). The forecast information is based on the assumption that R62.5 million is raised through the issue of 10 million private placement shares at an issue price of R6.25 per private placement share pursuant to the private placement.

The summarised forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors of Newpark.

The summarised forecasts have been prepared in compliance with IFRS and in accordance with Newpark’s accounting policies.

	Forecast for the 12 months to 29 February 2016 R’000	Forecast for the year ending 28 February 2017 R’000
Number of shares in issue	100 000 001	100 000 001
Weighted average number of shares in issue	8 333 334	100 000 001
Basic and diluted earnings per share (cents)	303.21	46.82
Headline earnings per share (cents)	401.23	59.89
Distributable income per share (cents)	20.46	49.47

The figures set out above are extracted from detailed forecasts for the year ending 29 February 2016 and the year ending 28 February 2017 and have been reported on by the independent reporting accountant, Grant Thornton Johannesburg. The detailed forecasts, the independent reporting accountants’ report on the detailed forecast and the assumptions on which the detailed forecasts are based, are set out in the full pre-listing statement.

8. Purposes of the private placement and the listing

The main purposes of the private placement and the listing are to:

- establish a new holding company to provide investors, both institutional and private, with an opportunity to participate over the long-term in the income streams and future capital growth of the group;
- enhance the liquidity and tradability of the shares;
- provide the group with a platform to raise equity funding to pursue growth and investment opportunities in the future; and
- enhance the public profile and general public awareness of Newpark.

9. Details of the private placement

The private placement will comprise the issue of up to 10 million ordinary shares in the company at an issue price of R6.25 per private placement share.

There are no convertibility or redemption provisions relating to the private placement shares being offered in terms of the private placement. Private placement shares will be issued in dematerialised form only. No fractions of private placement shares will be issued. The private placement will not be underwritten.

The listing is not conditional on raising a minimum amount in terms of the private placement.

Applications by invited investors who are not persons who fall within the categories of persons set out in section 96(1)(a) of the Companies Act, 2008 (Act 71 of 2008) must be for a minimum subscription of R1 000 000 per investor acting as principal.

The private placement shares issued in terms of the full pre-listing statement will be allotted subject to the provisions of the MOI and will rank *pari passu* in all respects, including distributions, with all existing issued shares in the company.

The private placement is open to invited investors only. The following parties may not participate in the private placement:

- any person who may not lawfully participate in the private placement; and/or
- any investor who has not been invited to participate; and/or
- any person acting on behalf of a minor or deceased estate.

10. Salient dates and times

	2016
Opening date of the private placement (09:00)	Tuesday, 26 January
Closing date of the private placement (17:00)	Tuesday, 26 January
Results of the private placement released on SENS	Wednesday, 27 January
Notification of allotments to successful invited investors from	Wednesday, 27 January
Listing of shares and the commencement of trading on the JSE (09:00)	Wednesday, 3 February
Accounts at CSDP or broker updated and credited in respect of dematerialised shareholders	Wednesday, 3 February

Notes:

1. All references to dates and times are to local dates and times in South Africa. These dates and times are subject to amendment. Any such amendment will be released on SENS.
2. Invited investors must advise their CSDP or broker of their acceptance of the private placement in the manner and cut-off time stipulated by their CSDP or broker.

3. CSDPs effect payment on a delivery-versus-payment basis.

11. Application of proceeds

The proceeds of the private placement will be used by Newpark to partly settle the subscription price and purchase price for all the shares and claims in Newpark Towers.

12. Condition to which the private placement and the listing are subject

The private placement and the listing are subject to the achievement of a public spread of shareholders acceptable to the JSE, being a minimum of not less than 10% of the issued share capital of the company being held by the public.

If such condition fails, the private placement and any acceptance thereof shall not be of any force or effect and no person shall have claim whatsoever against Newpark or any other person as a result of the failure of any condition.

13. Availability of the full pre-listing statement

Copies of the full pre-listing statement may be obtained between 08:30 and 17:00 on business days from Tuesday, 26 January 2016 to Wednesday, 3 February 2016 at the following places and on the company's website at www.newpark.co.za:

Newpark REIT Limited
51 West Street, Houghton, Johannesburg.

Java Capital Proprietary Limited
6A Sandown Valley Crescent, Sandown, Sandton, 2196.

Computershare Investor Services Proprietary Limited
70 Marshall Street, Johannesburg, 2107.

26 January 2016

Corporate advisor, bookrunner and designated advisor

JAVACAPITAL

Independent reporting accountants and auditors

 **Grant Thornton**

Attorneys


CLIFFE DEKKER HOFMEYR