

SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED



Reply Document

REPLY DOCUMENT relating to the Mandatory Offer to SACREIL Shareholders to acquire their Class A Shares for the Offer Consideration of USD 1.18 per share.

23 September 2024

Reply Document issued under Rule 18 of the Securities (Takeover) Rules 2010, in reply to the Offer Document issued by the Offeror on 02 September 2024, relating to the Mandatory Offer to SACREIL Shareholders to purchase their Class A Shares for the Offer Consideration of USD 1.18 per Class A share.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 3 of this document apply, *mutatis mutandis*, throughout this Reply Document, including on this front cover.

If you are in any doubt about any aspect of the Mandatory Offer, you should consult your broker, banker, legal advisor, accountant or other professional advisor immediately.

This Reply Document is being issued to Shareholders to enable them to take an informed decision regarding the Mandatory Offer by the Offeror.

ACTION REQUIRED

Shareholders are referred to Annexure B of the Offer Document, which sets out the action required by them.

DISCLAIMER

This Reply Document has been prepared in compliance with the laws of Mauritius and sets out the terms of the Mandatory Offer made by the Offeror, acting in concert with Affiliates of Sanlam Life, and recommendations from the Board of SACREIL based on the report of the Independent Adviser appointed by SACREIL.

SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

(the “Company”)

(Incorporated in the Republic of Mauritius)

(Registration number: 109045 C1/GBL)

SEM code: SARE-N0101

SEDOL code: B979H90

ISIN: MU0396S00004

Short name: SACREIL

This Reply Document is available on SACREIL' website (<https://www.sacreil.com/>). Copies may be obtained from the registered office of SACREIL and at the office of Intercontinental Trust Limited, whose registered address is set out in the “Corporate Information” section of this document during normal business hours from the date of issue of this Reply Document.

CORPORATE INFORMATION

<p>Registered office and postal address of SACREIL</p> <p>c/o Intercontinental Trust Limited</p> <p>Level 3, Alexander House 35 Cybercity, Ebène 72201 Mauritius (Postal address same as physical address above)</p>	<p>Mauritian management company and company secretary</p> <p>Intercontinental Trust Limited</p> <p>Level 3, Alexander House 35 Cybercity, Ebène 72201 Mauritius (Postal address same as physical address above)</p>
<p>SEM Authorised Representative & Sponsor and Transaction Advisor</p> <p>Perigeum Capital Ltd</p> <p>Ground Floor, Alexander House 35 Cybercity, Ebène 72201 Mauritius (Postal address same as physical address above)</p>	<p>Mauritian Registrar and Transfer Agent</p> <p>Intercontinental Secretarial Services Ltd</p> <p>Level 3, Alexander House 35 Cybercity, Ebène 72201 Mauritius (Postal address same as physical address above)</p>
<p>Independent Adviser</p> <p>Ernst & Young Mauritius</p> <p>6th Floor, Icon Ebene, Rue de L'Institut, 35 Cybercity, Ebène 72201 Mauritius</p>	<p>Independent Auditor</p> <p>KPMG</p> <p>KMPG Centre 35 Cybercity, Ebène 72201 Mauritius</p>
<p>Legal Advisor</p> <p>Benoit Chambers</p> <p>Level 9, Orange Tower Cyberciy, Ebène Mauritius (Postal address same as physical address)</p>	

Place and date of incorporation: Mauritius, 06 April 2012.

IMPORTANT DATES AND TIMES

Record date for the SACREIL Shareholders to be eligible for the Mandatory Offer	22 August 2024
Circulation of Offer Document	02 September 2024
Offer opens on	03 September 2024
Posting of Reply Document to SACREIL Shareholders	23 September 2024
Mandatory Offer closes on	08 October 2024
Results of Mandatory Offer announced on the SEM website	10 October 2024
Transfer of shares (to the Offeror)	14 October 2024 to 16 October 2024
Payment for the acquired SACREIL Shares	17 October 2024 to 21 October 2024

Notes:

- A Shareholder to whom the Mandatory Offer is made is not obliged to accept same. The Shareholder may choose not to sell his/her/its SACREIL Shares at all or to sell only part of his/her/its SACREIL Shares to the Offeror;
- If a Shareholder registered on 22 August 2024 subsequently sells his/her/its shares to a third party, the Mandatory Offer will be invalid in respect of those SACREIL Shares and will not automatically benefit the third party acquirer;
- A Shareholder who is willing to accept the Mandatory Offer should ensure that he/she/it has deposited his/her/its SACREIL Shares in a valid account with the Central Depository & Settlement Co. Ltd, by no later than close of business on 07 October 2024; and
- If a Shareholder who is willing to accept the Mandatory Offer has lost his/her/its share certificate, he/she/it should contact Intercontinental Secretarial Services Limited for completion of an Indemnity Form, by no later than close of business on 24 September 2024. The duplicate share certificate is to be deposited on his/her/its CDS account not later than 07 October 2024.

DEFINITIONS AND INTERPRETATIONS

In this document, unless the context indicates a contrary intention, an expression which denotes a gender includes the other genders, the singular includes the plural and vice versa, natural persons include a juristic person and the following terms bear the meanings assigned to them below.

“Affiliates of Sanlam Life”	Agulhas Nominees (Pty) Ltd, Sanlam Africa Real Estate Advisor (Pty) Ltd and Safa Share Incentive Trust;
“CDS”	Central Depository & Settlement Co. Ltd approved under the Securities (Central Depository, Clearing and Settlement) Act 1996 of Mauritius;
“Class A Shares”	redeemable participating Class A shares in SACREIL, listed on the SEM and held by various investors;
“Class B Shares”	redeemable participating and unlisted shares, held by Sanlam Africa Real Estate Advisor (Pty) Ltd;
“Class C Shares”	Class C Shares are categorised as an equity instrument because of the contractual obligation contained in an Advisory Agreement between the Company and Sanlam Africa Real Estate Advisor (Pty) Ltd, the holder of the unlisted Class C Shares;
“Constitution”	the constitution of the Company dated 13 March 2014;
“FSC”	the Financial Services Commission of Mauritius;
“Independent Adviser”	Ernst & Young (Mauritius), appointed under Rule 21 of the Rules, full details of which are set out in the “Corporate Information” section;
“Last Practicable Date”	the last practicable date prior to the finalisation of this Reply Document, being 20 September 2024;
“Mandatory Offer” or “Offer”	the mandatory offer by the Offeror acting in concert with the Affiliates of Sanlam Life, in terms of Rule 33 of the Takeover Rules to acquire, on the terms set out in the Offer Document, from SACREIL Shareholders, all or part of their Class A Shares for the Offer Consideration;
“Offer Consideration”	USD 1.18 per Class A Share, payable by the Offeror in cash on the terms and conditions set out in the Offer Document;
“Offer Document”	the offer document dated 20 August 2024, and distributed to SACREIL Shareholders on 2 September 2024 detailing the terms of the Mandatory Offer;
“Offeror”	Sanlam Life Insurance Limited, a public company duly incorporated under the laws of the Republic of South Africa under registration number 1998/021121/06. Refer to Sections 1.7 and 1.8;
“Public Announcement”	announcement issued by the Offeror on 03 July 2024;
“Record Date”	refer to Section “Important Dates and Times”;
“Reply Document”	this document dated 23 September 2024, including all annexures hereto, issued by SACREIL in terms of Rule 18 of the Rules;
“Rights Issue”	refer to Section 1.2;
“Rules” or “Takeover Rules”	the Securities (Takeover) Rules 2010;
“SACREIL” or the “Company”	Sanlam Africa Core Real Estate Investments Limited, a public company duly incorporated in Mauritius on 6 April 2012 with company number C109045;
“SACREIL Board” or the “Board”	the board of directors of SACREIL;
“SACREIL Directors”	the directors of SACREIL from time to time;
“SACREIL Shareholder(s)” or “Shareholder(s)”	shareholders of SACREIL holding Class A Shares, with the exception of Sanlam Life and its affiliates, registered on the register of SACREIL at the close of business on the Record Date;
“SACREIL Share(s)”	Class A Shares held by SACREIL Shareholders, with the exception of Sanlam Life and its affiliates;
“Sanlam Life and its affiliates”	Sanlam Life Insurance Limited, Agulhas Nominees (Pty) Ltd, Sanlam Africa Real Estate Advisor (Pty) Ltd and Safa Share Incentive Trust. Refer to Section 1.2;
“SEM”	the Stock Exchange of Mauritius Ltd; and
“USD”	United States Dollar.

TABLE OF CONTENTS

Corporate information	1
Important dates and times	2
Definitions and interpretations	3

Reply document to SACREIL Shareholders

1. Introduction	5
2. Views of the Board of SACREIL	6
3. Shareholdings and dealings	7
4. Issued capital of SACREIL	7
5. Financial information	8
6. Material contracts	9
7. Arrangements affecting directors	9
8. Directors' service agreements	9
9. Directors' responsibility statement	9

Annexure

A. List of announcements issued by SACREIL and the Offeror as required under the Takeover Rules	10
B. Summary of Independent Adviser's Report	11
C. Historical financial statements for the years ended 31 December 2021, 2022 and 2023	12
D. Interim financial statements released since the last audited financials	16

SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED - REPLY DOCUMENT

1. INTRODUCTION

- 1.1. On 3 July 2024, the SACREIL Board was informed of the firm intention of the Offeror, acting in concert with the Affiliates of Sanlam Life, to make the Mandatory Offer to the SACREIL Shareholders to acquire their Class A Shares at the Offer Consideration.
- 1.2. It follows a rights issue pursuant to which Sanlam Life Insurance Limited, Agulhas Nominees (Pty) Ltd, Sanlam Africa Real Estate Advisor (Pty) Ltd and Safa Share Incentive Trust (together referred to as “**Sanlam Life and its affiliates**”) subscribed for 24,285,715 new Class A Shares of the Company on 02 July 2024 at an issue price of USD 0.70 per Class A Share (the “**Rights Issue**”).
- 1.3. As a consequence of the Rights Issue, Sanlam Life and its affiliates now hold 31,250,289 Class A Shares and 2,000,000 Class B Shares of the Company, thereby increasing their voting rights in SACREIL from 47.7% to 78.7%.
- 1.4. The acquisition also triggers the application of Rules 33(1)(c) and 33(2) of the Takeover Rules, whereby an offeror is obliged to “*make an offer on all voting shares of the offeree not already held by the offeror*” if, following a dealing in the securities of the offeree, the offeror “*either individually or together with a person acting in concert, acquires, the right to exercise, or control the exercise of, more than 50 per cent of the rights attached to the voting shares*” of the offeree.

Offer Consideration

- 1.5. The Offer Consideration is determined according to Rule 14(2) of the Takeover Rules which stipulates that the offer price shall be the sum of any premium and of the highest of:
 - a. the price paid by the offeror a person acting in concert for any acquisition during the 6 months preceding the date of public announcement;
 - b. the price paid by the offeror under a preferential allotment made to him or to a person acting in concert at any time during the 12 months’ period up to the date of closure of the offer; and
 - c. the average of the weekly high and low of the closing prices of the shares of the offeree as listed on the securities exchange where the shares of the offeree are most frequently traded during the 6 months preceding the date of public announcement.

Offer Document and Reply Document

- 1.6. On 02 September 2024, the Offeror has submitted an Offer Document to the SACREIL Shareholders. In this context and in line with Rule 18 of the Takeover Rules, the Board is hereby communicating a Reply Document to the SACREIL Shareholders to enable them to reach an informed decision about the Mandatory Offer.
- 1.7. The Reply Document is being sent only to SACREIL Shareholders registered on the share register of SACREIL at close of business on the Record Date and to whom the Offer Document was addressed.
- 1.8. If you have since sold or otherwise transferred your shares in SACREIL or any part of them, to a third party, the Mandatory Offer does not benefit those transferees who were not registered at close of business on the Record Date.

Arrangement between Sanlam Life and its affiliates

- 1.9. The Board wishes to highlight that Sanlam Life entered into an agreement with the Affiliates of Sanlam Life such that none of the affiliates will participate in the Mandatory Offer. There are no other parties to any agreement, arrangement or understanding for the transfer of any shares of the Company to any other persons pursuant to the Mandatory Offer.
- 1.10. Accordingly, Sanlam Life will be solely liable for payment of the Offer Consideration of USD 1.18 per Class A Share required to be paid to all SACREIL Shareholders who timeously and validly accept the Mandatory Offer.

This Reply Document accordingly records the views of the SACREIL Board with regards to the Mandatory Offer.

The Reply Document may contain certain forward-looking statements. These statements involve risk and uncertainties that may cause actual results to differ materially from those suggested by them. Undue reliance should not be placed on such statements which are being made as of the date of this document.

SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

- REPLY DOCUMENT continued

2. VIEWS OF SACREIL BOARD

- 2.1. In being informed of the firm intention of the Offeror to make a Mandatory Offer to acquire the SACREIL Shares, the Board duly notes that:
- 2.1.1. the Offeror was under a legal obligation to do so; and
 - 2.1.2. the Offer Consideration was determined in accordance with Rule 14(2)(c) of the Takeover Rules, based on the average weekly high and low closing prices of the Class A Shares during the preceding six months as at the date of the Public Announcement.
- The methodologies outlined under Rules 14(2)(a) and (b) of the Takeover Rules are not applicable in determining the Offer Consideration as:
- i. the price paid by Sanlam Life and its affiliates for the Subscription was at USD 0.70 per share, being lower than the price determined in terms of Rule 14(2)(c); and
 - ii. no preferential allotment of Class A Shares occurred prior to the date of the Public Announcement.
- 2.2. Pursuant to Rule 21 of the Takeover Rules, the SACREIL Board appointed the Independent Adviser to:
- 2.2.1. carry out a valuation of the Class A Shares; and
 - 2.2.2. advise the SACREIL Board as to whether the Mandatory Offer and the Offer Consideration are fair and reasonable.
- 2.3. The Independent Adviser submitted its report to the SACREIL Board on 23 September 2024. A summary of the report is provided in **Annexure B**.
- 2.4. The Board has given due consideration to the report of the Independent Adviser for the purposes of reaching its own opinion regarding the Mandatory Offer and the Offer Consideration, and accordingly recommends to Shareholders **to accept the Mandatory Offer**.
- 2.5. The Board has made the above recommendation for the following reasons:
- 2.5.1. the fair value per Class A Share of the Company on 30 June 2024, as determined by the Independent Adviser, was USD 0.71. The Offer Consideration of USD 1.18 per Class A Share, therefore, represents a premium of 67.3% to the fair value per Class A Share of the Company on 30 June 2024. The Mandatory Offer provides an exit opportunity to the Class A Shareholders at nearly double the fair value of their Class A Shares.
 - 2.5.2. The Offer Consideration of USD 1.18 per Class A Share also reflects a premium of 25.5% to the market price per Class A Share of the Company on 30 June 2024 (being USD 0.94), further enhancing the attractiveness of the Mandatory Offer compared to the then prevailing market price of the Class A Shares. Additionally, the Offer Consideration of USD 1.18 per Class A Shares reflects a premium of 18% to the reference price of the Class A Shares on the date of the Reply Document.
 - 2.5.3. SACREIL Shareholders should also consider the limited liquidity of the SACREIL Shares. Whilst the SACREIL Shares are listed, they are thinly traded, making it difficult for the SACREIL Shareholders to sell their SACREIL Shares at the prevailing market price. The Mandatory Offer provides a viable alternative for SACREIL Shareholders seeking an exit.
- 2.6. The SACREIL Directors and any person dealing directly on their behalf do not intend to accept the Mandatory Offer.
- 2.7. The recommendation of the SACREIL Board is based on the view of the business as at the date of this Reply Document and the SACREIL Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Reply Document.
- 2.8. After having made all reasonable enquiries, the SACREIL Directors state that, to the best of their knowledge, opinions expressed in this Reply Document have been arrived at after due and careful consideration and there are no material facts the omission of which would make any statement herein, whether of fact or opinion, misleading.

3. SHAREHOLDINGS AND DEALINGS

3.1. SACREIL Directors' Interests in the share capital of the Company

As at the date of issue of this Reply Document, the SACREIL Directors do not hold any interest in the share capital of the Company.

3.2. SACREIL Directors' Interests in the Offeror

None of the SACREIL Directors have any direct or indirect shareholdings in the Offeror, i.e. Sanlam Life.

3.3. Dealings by SACREIL Directors in shares of SACREIL

There were no dealings in the Class A Shares, Class B Shares or Class C Shares of SACREIL by the SACREIL Directors during the six months prior to the communication of the Public Announcement.

3.4. Interests of SACREIL in the Offeror

Neither SACREIL nor any of its subsidiaries:

3.4.1. hold any shares in the Offeror as at the date of issue of this document; nor

3.4.2. have purchased or sold shares in the Offeror within the six months before the date of the Public Announcement.

4. ISSUED CAPITAL OF SACREIL

4.1. The issued capital of the Company as at 31 December 2023 (being the last financial year end) comprised of 16,636,409 Class A Shares, 2,000,000 Class B Shares and 100 Class C Shares.

4.2. Following the Rights Issue, SACREIL raised an amount of USD 17 million through the issuance of 24,285,715 new Class A Shares at a price of USD 0.70 per share.

4.3. As at the date of the present document, the Company has in issue 40,922,124 Class A Shares, 2,000,000 Class B Shares and 100 Class C Shares.

4.4. Rights of shareholders in respect of the issued capital

4.4.1. Class A Shares

Class A Shares are redeemable participating shares, listed on the SEM and are held by various investors. The rights attached to the Class A Shares are set out below:

- *Voting*

Each Class A Share shall confer upon its holder the right to one vote on a poll at a meeting of the Company on any resolution, except those matters solely affecting the rights of another class of shares.

- *Dividends*

Each Class A Share shall confer upon its holder the right to an equal share in the distribution of surplus assets of the Company.

The Constitution provides that a minimum dividend of 90% of Available Cash must be declared as dividends, but does not specify a maximum dividend, subject to the solvency and liquidity provisions of the Mauritius Companies Act.

- *Redemption*

Each Class A Share shall confer upon its holder the right to elect to have their shareholding repurchased by the Company should the GAV of the Company be less than USD750m.

- *Termination and winding up of the Company*

Each Class A Share shall confer upon its holder the right to participate in the termination and winding up of the Company.

SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

- REPLY DOCUMENT continued

4.4.2. Class B Shares

Class B Shares are redeemable participating shares and are held by Sanlam Africa Real Estate Advisor Proprietary Limited (the “**Advisor**”).

- Each Class B Share represents one vote on all matters except those matters solely affecting another class of shares;
- Class B Shares have at all times voting rights not less than 10% of the aggregate voting rights of all the shares on all matters except those matters solely affecting the Class A Shares;
- In addition to the pro-rata Class A dividend, the Class B Shares confer the right to receive an *additional dividend* should certain hurdle target returns for the Company be exceeded. At a high level, to the extent the Company’s return exceeds 10% but is below 15%, the *additional dividend* is 15% of the excess, and to the extent the Company’s return exceeds 15%, the *additional dividend* is 20% of the excess. In order for the *additional dividend* to be ultimately declared, the Company’s net asset value in the following year must be no less than 10% higher as compared to the previous year’s net asset value;
- The Class B Shares shall be redeemable at the option of the Company in the circumstances which entitle the Company (acting on the instructions of Shareholders) to terminate the *advisory agreement* and have the obligation to acquire those shares. Should the Advisor terminate the *advisory agreement*, the Company or replacement Advisor would be obliged to acquire the Class B Shares; and
- Each Class B shareholder has the right to participate in the termination and winding up of the Company.

4.4.3. Class C Shares

- Class C Shares are categorised as an equity instrument because of the contractual obligation contained in the *advisory agreement* between the Company and the Advisor, the holder of the Class C Shares;
- Class C Shares do not participate in any distributions;
- Class C Shares are non-voting;
- Class C Shares are only redeemable if the Advisory Agreement is terminated and should be issued to the replacement Advisor; and
- On winding up, the Class C shareholder will be only entitled to the subscription price thereof.

5. FINANCIAL INFORMATION

5.1. Audited financial statements

Extracts from the audited consolidated financial statements of SACREIL for the financial years ended 31 December 2021, 2022 and 2023 as set out in **Annexure C**, fall under the responsibility of the SACREIL Board.

5.2. Material changes

Save as set out in this Reply Document, there have been no material changes in the financial or trading position of SACREIL since the financial year ended 31 December 2023 being the last financial period in respect of which the Company published audited consolidated financial statements.

5.3. Interim financial statements

The interim financial statements of SACREIL for the quarters ended 31 March 2024 and 30 June 2024 are set out in **Annexure D**.

5.4. Accounting policies

The significant accounting policies are included in the Company’s Integrated Report for the year ended 31 December 2023, which is available on the Company’s website at <https://www.sacreil.com/> under Investor Relations. There has been no change in the accounting policies of SACREIL since the last financial year end.

6. MATERIAL CONTRACTS

There are no material contracts, other than contracts entered into in the normal course of business, entered into by any member of the SACREIL Board within the two (2) years immediately preceding the publication of this Reply Document.

7. ARRANGEMENTS AFFECTING DIRECTORS

- 7.1. SACREIL does not anticipate any payment of benefit to the SACREIL Directors as compensation for loss of office in connection with the Mandatory Offer.
- 7.2. There is no agreement or arrangement between any SACREIL Director and any other person that is conditional on the outcome of the Mandatory Offer or otherwise is connected with the Mandatory Offer.
- 7.3. There are no material contracts entered into by the Offeror in which a SACREIL Director has any interest.

8. DIRECTORS' SERVICE AGREEMENTS

- 8.1. The non-executive SACREIL Directors do not have service contracts with the Company. Their appointments are made in terms of the Company's constitution and are confirmed at the first annual general meeting of Shareholders following their appointment. SACREIL Directors are eligible for re-election at each annual general meeting of the Company subject to the relevant procedures laid down in the Company's constitution and the requirements of the Mauritian Companies Act 2001.

9. DIRECTORS' RESPONSIBILITY STATEMENT

- 9.1. The SACREIL Board accepts full responsibility for the correctness of the information contained in this Reply Document, and having made all reasonable enquiries, states that, to the best of its knowledge and belief, there are no material facts, the omission of which would make any statement herein, whether of fact or opinion, misleading.
- 9.2. The SACREIL Directors have been guided by the Independent Adviser appointed pursuant to Rule 21 of the Takeover Rules.

23 September 2024

Approved by the SACREIL Board and signed on its behalf by:

Anil Currimjee
Chairman

Tchang Fa Wong Sun Thiong
Director

LIST OF ANNOUNCEMENTS ISSUED BY SACREIL AS REQUIRED UNDER THE TAKEOVER RULES

Sanlam Africa Core Real Estate Investments Limited
(the "Company")

Incorporated in the Republic of Mauritius

Registration Number: 109045 C1/GBL

ISIN Code: MU0396S00004

SEDOL Code: B979H90

SEM Code: SARE-N-0101

Short Name: SACREIL

PUBLIC ANNOUNCEMENT

The Board of directors of the Company (the "**Board**") wishes to inform its shareholders and the public in general that in terms of a rights issue recently implemented by the Company, Sanlam Life Insurance Limited, Agulhas Nominees (Pty) Ltd, Sanlam Africa Real Estate Advisor (Pty) Ltd and Safa Share Incentive Trust (together referred to as "**Sanlam Life and its affiliates**") subscribed for 24,285,715 new Class A shares of the Company at an issue price of USD 0.70 per Class A share (the "**Rights Issue**").

Sanlam Life and its affiliates now hold 31,250,289 Class A shares and 2,000,000 Class B shares of the Company, representing a total of 78.7% of the rights attached to the voting shares of the Company.

Consequently, on 03 July 2024, Sanlam Life and its affiliates notified the Board that their subscription of new Class A shares in terms of the Rights Issue has triggered a mandatory offer in accordance with Rule 33(1)(c) of the Mauritian Securities (Takeover) Rules 2010 (the "**Takeover Rules**").

Sanlam Life and its affiliates also notified the Board of their firm intention to make a mandatory offer to the remaining shareholders to acquire all the voting shares of the Company, not already held by Sanlam Life and its affiliates, for a consideration of USD 1.18 per Class A share ("**the Offer**"), which price has been determined in accordance with Rule 14(2) of the Takeover Rules. Sanlam Life and its affiliates have also confirmed that they have sufficient financial resources available to satisfy all acceptances of the Offer.

Sanlam Life and its affiliates have indicated that they will make the Offer as soon as practicable.

Shareholders and the public in general will be kept informed of further developments in respect of the Offer and are advised to exercise caution when dealing in the shares of the Company.

By order of the Board

05 July 2024

Company Secretary



**Mauritian Transaction Advisor &
SEM Authorised Representative and
Sponsor**



This notice is issued pursuant to SEM Listing Rule 11.3, Rule 5(1) of the Securities (Disclosure Obligations of Reporting Issuers) Rules 2007, and Rule 12(1)(a) of the Mauritian Securities (Takeover) Rules 2010. The Board accepts full responsibility for the accuracy of the information in this announcement.

SUMMARY OF INDEPENDENT ADVISER'S REPORT

INDEPENDENT ADVISER

In accordance with Rule 21 of the Takeover Rules, the Board has appointed Ernst & Young Ltd ("EY"), as Independent Adviser to (i) carry out a valuation of SACREIL and to submit a report to the Board and (ii) advise and report to the Board as to whether the Mandatory Offer is fair and reasonable to the SACREIL Shareholders.

EY is part of the global Ernst and Young network and is an accredited Independent Advisor registered with the Stock Exchange of Mauritius. EY has significant experience in performing valuations of listed companies and fair and reasonable opinions in the context of mandatory takeover offers. EY confirmed that it has no conflict of interest that could affect its ability to provide an unbiased report.

SUMMARY OF VALUATION REPORT

EY issued its independent report to the Board of SACREIL on 23 September 2024.

VALUATION APPROACH

The Class A Shares of SACREIL are listed on the Official Market of the SEM, however, these shares are thinly traded and hence deemed to be illiquid. The listed share price is therefore not deemed to be reflective of fair value.

EY has valued SACREIL through a sum of the different investments and net debt held by SACREIL and its subsidiaries.

The operating subsidiaries have been valued based on the income approach to estimate the fair value that would be payable by market participants in an orderly transaction, reflecting the expected cash flows and the level of risk associated with each investment.

Due to an illiquid property market in Africa, there is limited up-to-date information on property prices and capitalisation rates. EY has therefore considered property cap rates from South Africa, being the country having the most liquid property market, as a starting point to determine required rates of return for the relevant property types and adjusted for country risk differences.

VALUATION CONCLUSION

EY has estimated the fair value per share at USD 0.68 as at 30 June 2024.

OPINION OF THE INDEPENDENT ADVISER

In assessing whether the Offer Consideration is fair and reasonable, EY has considered the following:

- **Offer Consideration is at a premium to the fair value per share as at 30 June 2024** – The Offer Consideration of USD 1.18 is at a premium of 73.4% compared to the fair value per share of USD 0.68 as at 30 June 2024.
- **Rights Issue** – The SACREIL Shareholders were offered an opportunity to subscribe to the Rights Issue in May 2024 at a price of USD 0.70 relative to a share price of USD 1.24 per Class A Share at the time. The SACREIL Shareholders did not subscribe to this offer.
- **Offer Consideration is at a premium to share price as at 30 June 2024 and to current share price** – The Offer Consideration of USD 1.18 is at a premium of 25.5% to the share price per Class A Share as at 30 June 2024, and a premium of 18.0% to share price of USD 1.00 as at the report date despite the public announcement made on 05 July 2024 by SACREIL that a Mandatory Offer will be implemented by the Offeror at a price of USD 1.18 per Class A Share. This indicates a very illiquid market for SACREIL shares.

Based on the above, EY concluded that the Mandatory Offer is deemed to be fair and reasonable to the SACREIL Shareholders.

HISTORICAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023

The audited consolidated financial statements of SACREIL for years ended 31 December 2021, 31 December 2022 and 31 December 2023 are set out below.

The Notes to the consolidated financials for the years ended 31 December 2021, 31 December 2022 and 31 December 2023 have been incorporated by reference and are available on SACREIL's website at <https://www.sacreil.com/>.

ABRIDGED STATEMENT OF FINANCIAL POSITION

	Audited as at 31 December 2021 USD	Audited as at 31 December 2022 USD	Audited as at 31 December 2023 USD
ASSETS			
Financial assets at fair value through profit or loss	39,068,772	36,708,552	30,350,875
Other receivables and prepayments	1,078,242	1,623,573	1,706,721
Cash and cash equivalents	1,076,061	9,806	265,466
Total assets	41,223,075	38,341,931	32,323,062
EQUITY			
Share capital	100	100	100
Total equity	100	100	100
LIABILITIES (Excluding net assets attributable to holders of redeemable shares)			
Advisory fees payable	526,061	481,542	907,233
Other payables and accruals	118,368	106,048	106,220
Total liabilities (Excluding net assets attributable to holders of redeemable shares)	644,429	587,590	1,013,453
Net assets attributable to holders of redeemable shares	40,578,546	37,754,241	31,309,509
Net assets attributable to:			
Class A	36,223,786	33,702,577	27,949,473
Class B	4,354,760	4,051,664	3,360,036
Net assets attributable to holders of redeemable shares	40,578,546	37,754,241	31,309,509

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Audited for the year ended 31 December 2021 USD	Audited for the year ended 31 December 2022 USD	Audited for the year ended 31 December 2023 USD
INCOME			
Dividend income	1,490,000	895,000	1,535,000
	1,490,000	895,000	1,535,000
EXPENSES			
Accounting fees	(56,280)	(56,450)	(48,365)
Advisory fees	(1,043,545)	(923,795)	(907,233)
Audit fees	(54,395)	(58,903)	(59,512)
Bank charges	(5,189)	(6,460)	(6,532)
Director fees	(89,582)	(119,000)	(114,000)
Disbursements	(1,400)	(3,714)	(3,366)
License fees	(18,593)	(17,732)	(17,762)
Net loss on financial assets at fair value through profit or loss	(9,044,884)	(2,385,220)	(6,642,177)
Other expenses	(40,458)	(46,419)	(73,648)
Professional fees	(110,117)	(101,612)	(107,137)
	(10,464,443)	(3,719,305)	(7,979,732)
Loss before finance costs and tax	(8,974,443)	(2,824,305)	(6,444,732)
Finance costs – Distribution to holders of redeemable shares	–	–	–
Decrease in net assets attributable to holders of redeemable shares before tax	(8,974,443)	(2,824,305)	(6,444,732)
Income tax expense	–	–	–
Decrease in net assets attributable to holders of redeemable shares	(8,974,443)	(2,824,305)	(6,444,732)

STATEMENT OF CASH FLOWS

	Audited for the year ended 31 December 2021 USD	Audited for the year ended 31 December 2022 USD	Audited for the year ended 31 December 2023 USD
Net cash flows generated from/ (used in) operating activities	10,599	(1,041,255)	540,160
Net cash flows (used in) / from investing activities	407,212	(25,000)	(284,500)
Net increase/(decrease) in cash and cash equivalents	417,811	(1,066,255)	255,660
Cash and cash equivalents at beginning of year	658,250	1,076,061	9,806
Cash and cash equivalents at end of year	1,076,061	9,806	265,466

HISTORICAL FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2021, 31 DECEMBER 2022 AND 31 DECEMBER 2023 continued

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

2021	Class A USD	Class B USD	Total USD
At 1 January 2021			
As previously reported	56,754,976	6,822,984	63,577,960
Effect of prior year adjustments*	(12,519,856)	(1,505,115)	(14,024,971)
As restated	44,235,120	5,317,869	49,552,989
Decrease in net assets attributable to holders of redeemable shares	(8,011,334)	(963,109)	(8,974,443)
At 31 December 2021	36,223,786	4,354,760	40,578,546
Number of shares in issue	16,636,409	2,000,000	-
Net asset value per share	2.1774	2.1774	-

2022	Class A USD	Class B USD	Total USD
At 1 January 2022	36,223,786	4,354,760	40,578,546
Decrease in net assets attributable to shareholders from operations	(2,521,209)	(303,096)	(2,824,305)
At 31 December 2022	33,702,577	4,051,664	37,754,241
Number of shares in issue	16,636,409	2,000,000	-
Net asset value per share	2.0258	2.0258	-

2023	Class A USD	Class B USD	Total USD
At 1 January 2023	33,702,577	4,051,664	37,754,241
Decrease in net assets attributable to holders of redeemable shares	(5,753,104)	(691,628)	(6,444,732)
At 31 December 2023	27,949,473	3,360,036	31,309,509
Number of shares in issue	16,636,409	2,000,000	18,636,409
Net asset value per share	1.6800	1.6800	-

INTERIM FINANCIAL STATEMENTS RELEASED SINCE THE LAST AUDITED FINANCIALS



SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

Incorporated in the Republic of Mauritius | Registration number 109045 C1/GBL | ISIN code MU0396S00004 | SEDOL code B979H90 | SEM code SARE-N-0101 | Short name SACREIL | (the Company)

ABRIDGED UNAUDITED FINANCIAL STATEMENTS for the quarter ended 31 March 2024

ABRIDGED SEPARATE STATEMENT OF FINANCIAL POSITION

	Unaudited as at 31 March 2024	Audited as at 31 December 2023
	US\$	US\$
Assets		
Financial assets at fair value through profit or loss	30,436,846	30,350,875
Other receivables and prepayments	1,697,410	1,706,721
Cash and cash equivalents	138,161	265,466
Total assets	32,272,417	32,323,062
Equity		
Share capital	100	100
Total equity	100	100
Liabilities (Excluding net assets attributable to holders of redeemable shares)		
Advisory fees payable	1,127,884	907,233
Other payables and accruals	157,338	106,220
Total liabilities (Excluding net assets attributable to holders of redeemable shares)	1,285,222	1,013,453
Net assets attributable to holders of redeemable shares	30,987,095	31,309,509
Net assets attributable to:		
Class A	27,661,660	27,949,473
Class B	3,325,435	3,360,036
Net assets attributable to holders of redeemable shares	30,987,095	31,309,509

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the period ended 31 March 2024	Unaudited for the period ended 31 March 2023
	US\$	US\$
INCOME		
Dividend income	-	65,000
Net gain on financial assets at fair value through profit or loss	85,971	-
	85,971	65,000
EXPENSES		
Advisory fees	(220,651)	(223,701)
Operating expenses	(187,734)	(318,388)
Net loss on financial assets at fair value through profit or loss	-	(94,687)
	(408,385)	(431,699)
Loss before finance costs and tax	(322,414)	(366,699)
Finance costs – Distribution to holders of redeemable shares	-	-
Decrease in net assets attributable to holders of redeemable shares before tax	(322,414)	(366,699)
Income tax expense	-	-
Decrease in net assets attributable to holders of redeemable shares	(322,414)	(366,699)

ABRIDGED SEPARATE STATEMENT OF CASH FLOWS

	Unaudited for the period ended 31 March 2024	Unaudited for the period ended 31 March 2023
	US\$	US\$
Net cash flows generated from/ (used in) operating activities	(127,304)	16,196
Net cash flows used in investing activities	-	(4,000)
Net increase/(decrease) in cash and cash equivalents	(127,304)	12,196
Cash and cash equivalents at beginning of year	265,465	9,806
Cash and cash equivalents at end of the period	138,161	22,002

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

	Net assets attributable to:		
	Class A	Class B	Total
	US\$	US\$	US\$
2024			
At 1 January 2024	27,949,473	3,360,036	31,309,509
Decrease in net assets attributable to holders of redeemable shares	(287,813)	(34,601)	(322,414)
At 31 March 2024	27,661,660	3,325,435	30,987,095
Number of shares in issue	16,636,409	2,000,000	18,636,409
Net asset value per share	US\$ 1.6627	US\$ 1.6627	
2023			
	Class A	Class B	Total
	US\$	US\$	US\$
At 1 January 2023	33,702,577	4,051,664	37,754,241
Decrease in net assets attributable to shareholders from operations	(327,346)	(39,353)	(366,699)
At 31 March 2023	33,375,231	4,012,311	37,387,542
Number of shares in issue	16,636,409	2,000,000	18,636,409
Net asset value per share	US\$2.0062	US\$2.0062	

NOTES

•The Company is required to publish interim financial results in terms of the Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the three months ended 31 March 2024 ("abridged unaudited financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting and the SEM Listing Rules, using the same accounting policies as those of the audited financial statements for the year ended 31 December 2023.

•The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board of Directors on 13 May 2024.

•Copies of the abridged unaudited financial statements are available free of charge, upon request at the registered office of the Company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

•This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mrs Smitha Algoo-Bissonauth

By order of the Board

Intercontinental Trust Limited
Company Secretary
Perigeum Capital Ltd
SEM Authorised representative and Sponsor
14 May 2024



INTERIM FINANCIAL STATEMENTS RELEASED SINCE THE LAST AUDITED FINANCIALS continued


SANLAM AFRICA CORE REAL ESTATE INVESTMENTS LIMITED

Incorporated in the Republic of Mauritius | Registration number 109045 C1/GBL | ISIN code MU0396S00004 | SEDOL code B979H90 | SEM code SARE-N-0101 | Short name SACREIL | (The Company)

ABRIDGED UNAUDITED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2024
ABRIDGED SEPARATE STATEMENT OF FINANCIAL POSITION

	Unaudited as at 30 June 2024	Audited as at 31 December 2023
	US\$	US\$
Assets		
Financial assets at fair value through profit or loss	36,117,032	30,350,875
Other receivables and prepayments	9,730,846	1,706,721
Cash and cash equivalents	26,047,532	265,466
Total assets	71,895,410	32,323,062
Equity		
Share capital	100	100
Total equity	100	100
Liabilities (Excluding net assets attributable to holders of redeemable shares)		
Advisory fees payable	1,348,534	907,233
Other payables and accruals	25,171,916	106,220
Total liabilities (Excluding net assets attributable to holders of redeemable shares)	26,520,450	1,013,453
Net assets attributable to holders of redeemable shares	45,374,860	31,309,509
Net assets attributable to:		
Class A	43,260,575	27,949,473
Class B	2,114,285	3,360,036
Net assets attributable to holders of redeemable shares	45,374,860	31,309,509

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited for the six months to 30 June 2024	Unaudited for the three months to 30 June 2024	Unaudited for the six months to 30 June 2023	Unaudited for the three months to 30 June 2023
	US\$	US\$	US\$	US\$
INCOME				
Dividend income	140,000	140,000	955,000	890,000
Interest income	144,870	144,870	-	-
Net gain on financial assets at fair value through profit or loss	-	-	27,575	140,886
	284,870	284,870	982,575	1,030,886
EXPENSES				
Advisory fees	(441,301)	(220,651)	(449,888)	(226,187)
Operating expenses	(674,450)	(486,675)	(209,829)	(115,142)
Net loss on financial assets at fair value through profit or loss	(2,103,768)	(2,189,738)	-	-
	(3,219,519)	(2,897,064)	(659,717)	(341,329)
Profit/(loss) before finance costs and tax	(2,934,649)	(2,612,194)	322,858	689,557
Finance costs – Distribution to holders of redeemable shares	-	-	-	-
Decrease in net assets attributable to holders of redeemable shares before tax	(2,934,649)	(2,612,194)	322,858	689,557
Income tax expense	-	-	-	-
Decrease in net assets attributable to holders of redeemable shares	(2,934,649)	(2,612,194)	322,858	689,557

ABRIDGED SEPARATE STATEMENT OF CASH FLOWS

	Unaudited for the period ended 30 June 2024	Unaudited for the period ended 30 June 2023
	US\$	US\$
Net cash flows generated from operating activities	16,651,992	267,127
Net cash flows used in financing activities	(7,859,926)	-
Net cash flows generated from/ (used in) investing activities	16,990,000	(268,000)
Net increase/(decrease) in cash and cash equivalents	25,782,066	(673)
Cash and cash equivalents at beginning of year	265,466	9,806
Cash and cash equivalents at end of the period	26,047,532	8,933

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

	Net assets attributable to:		
	Class A	Class B	Total
	US\$	US\$	US\$
At 1 January 2024	27,949,473	3,360,036	31,309,509
Subscription of rights issue	17,000,000	-	17,000,000
Decrease in net assets attributable to holders of redeemable shares	(1,688,898)	(1,245,751)	(2,934,649)
At 30 June 2024	43,260,575	2,114,285	45,374,860
Number of shares in issue	40,922,124	2,000,000	42,922,124
Net asset value per share	US\$ 1.0571	US\$ 1.0571	

	2023		
	Class A	Class B	Total
	US\$	US\$	US\$
At 1 January 2023	33,702,577	4,051,664	37,754,241
Increase in net assets attributable to holders of redeemable shares	288,210	34,648	322,858
At 30 June 2023	33,990,787	4,086,312	38,077,099
Number of shares in issue	16,636,409	2,000,000	18,636,409
Net asset value per share	US\$ 2.0432	US\$ 2.0432	

NOTES

•The Company is required to publish interim financial results in terms of the Listing Rule 12.19 of the SEM. The abridged unaudited financial statements for the three months and six months ended 30 June 2024 ("abridged unaudited financial statements") have been prepared in accordance with the measurement and recognition requirements of IFRS, the information contained in IAS 34: Interim Financial Reporting and the SEM Listing Rules, using the same accounting policies as those of the audited financial statements for the year ended 31 December 2023.

•The abridged unaudited financial statements have not been reviewed or reported on by the Company's external auditors. These abridged unaudited financial statements were approved by the Board of Directors on 14 August 2024.

•Copies of the abridged unaudited financial statements are available free of charge, upon request at the registered office of the Company at c/o Intercontinental Trust Limited, Level 3, Alexander House, 35 Cybercity, Ebene 72201, Mauritius.

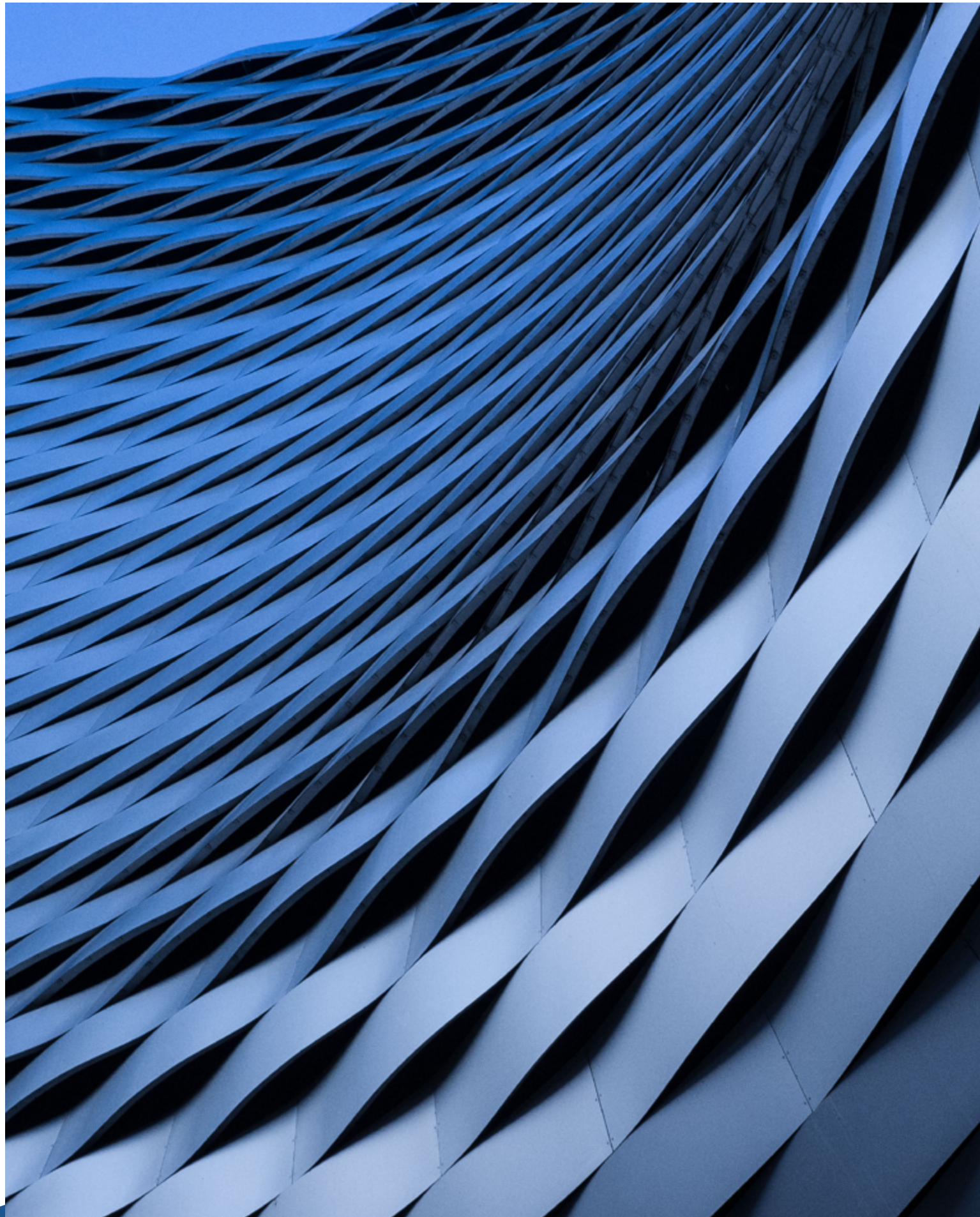
•This communiqué is issued pursuant to SEM Listing Rules 11.3 and 12.20. The Board accepts full responsibility for the accuracy of the information contained in this communiqué. Contact Person: Mrs Smitha Algoo-Bissonauth

By order of the Board

Intercontinental Trust Limited
Company Secretary
Perigeum Capital Ltd
SEM Authorised representative and Sponsor

16 August 2024





www.sacreil.com