



Approved as a REIT by ZAR X

(Incorporated in the Republic of South Africa)

(Registration number: 1997/021085/06)

ZAR X Share Code: ZXORE ISIN: ZAEZ00000067

("Orion", "the Company" or "the Group")

ABRIDGED LISTING PARTICULARS RELATING TO THE LISTING OF ORION REAL ESTATE LIMITED ON ZAR X

BACKGROUND

The Board of Orion Real Estate Limited have the pleasure to announce the listing of the Company's shares on the South African ZAR X stock exchange. The number of issued shares that will be initially listed on ZAR X is 643 120 785 shares at an introductory price of ZAR0.50 (50 ZAR cents). There are 3 688 866 treasury shares in issue at the Last Practicable Date.

ZAR X has granted a listing to the Company, by way of an Introduction of all of its shares in issue, on ZAR X under the abbreviated name "ZXORE" and share code "ZXORE", with effect from the commencement of trade on 23 April 2020.

The Company will list as a REIT in terms of the Listings Requirements.

The directors, whose names are given below, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the Listing Particulars contains all information required by law and the ZAR X Listings Requirements.

The Appointed Advisor and Share Custodian, have given and have not, prior to registration, withdrawn their written consents to the inclusion in the Listing Particulars of their names in the capacities stated.

Copies of the Listing Circular are available in English only and may be obtained, with prior arrangement, or post lock down, from the administrative office of Orion, the office of the Appointed Advisor and the Share Custodian, at the addresses set out in the "Corporate Information" section of the Listing Particulars. Alternatively, the Listing Circular can be obtained from the website of the Company at www.oriongroup.co.za.

Should you require an explanation on the contents of the Listing Circular you can contact the Appointed Advisor at +27 11 480 8570

INCORPORATION, NATURE OF BUSINESS AND BRIEF OVERVIEW

Mr Franz Gmeiner founded what was to become the Orion Group 28 years ago with the acquisition of Intec House, which property was later sold. Over the 28-year period the portfolio grew to a value of R741 million as at 30 June 2018, prior to the disposal of Orion House during the fifteen months ended 30 September 2019.

Orion operates as a property holding company which acquires, disposes and manages commercial property for the benefit of shareholders. Properties will continue to be acquired through a combination of raising mortgage bond facilities and issuing shares to investors.

Over the years, Orion Real Estate acquired and disposed of a number of properties considered to be non-core.

The decision to effect the JSE Delisting was taken following a difficult year for Orion Real Estate where it had experienced a substantial delay in the finalisation of its 2018 results, appointed new auditors in the middle of the audit, experienced external delays in the transfer of properties that would have increased the shareholder spread of the Company, faced the recall of its facilities, the threat of liquidation of the Company and then later had to take a number of actions to address key issues.

During February 2019, despite signed agreements being in place to address shareholder spread requirements of the JSE, the JSE advised the Company that it would no longer afford Orion Real Estate REIT status. The JSE Listings Requirements preclude the reissue of REIT status by the JSE for a period of 24 months.

All of these matters are clearly set out in the Company's Annual Reports for the year ended 30 June 2018 and the fifteen months ended 30 September 2019 and have since been addressed. Despite the challenges, Orion Real Estate produced solid results for the year ended 30 June 2018 and declared a distribution of R15 878 553 subsequent to its year end. Additionally, the Company managed to successfully secure the required funding from Bidvest Bank to settle the remaining Investec Bank liabilities subsequent to the fifteen months ended 30 September 2019.

The Company had taken a number of steps to ensure that the Company retained REIT status by 30 September 2019, which was of paramount importance to Orion Real Estate and its minority shareholders in particular. One of the main impacts is the tax status of the Group, which is further explained in the Listing Circular. Unfortunately, the Company's planned listing on ZAR X was dependent on the delisting from the JSE, which process took an inordinate amount of time and resulted in the Company being forced to undertake a Scheme of Arrangement with a low cash offer ("Scheme Consideration") in order to achieve the delisting as opposed to trying to effect a simple offer of the same shares on ZAR X. Accordingly, the Company has accounted for deferred taxation in its results for the fifteen months ended 30 September 2019. This will be reversed in the next set of results following the listing on ZAR X and regaining of REIT status. **Furthermore, the former minority shareholders of Orion have been afforded the opportunity to reacquire the same shares at the same Scheme Consideration up to 18 June 2020, being six months from the date of delisting from the JSE.**

In considering the future of the Company, the Company approached ZAR X to confirm that it would meet the ZAR X Listings Requirements for REIT status. ZAR X was fully informed of the background to the Company's position and the corrective steps that were being taken and the ZAR X Listings Committee granted Orion Real Estate approval to list on ZAR X.

The Company met all the requirements for REIT status on ZAR X, which primarily require gross assets of R300m, a gearing ratio of less than 60% and 75% of group revenue to comprise of rental income. As at the Last Practicable Date, the gross assets (comprising non-current and current assets) amount to about R700m and the gross liabilities amount to about R400m, the current gearing ratio, is around 33.2% and Orion Real Estate meets the requirement of more than 75% of group revenue comprising of rental income.

The Board has considered a number of other benefits that it hopes to achieve through a listing on ZAR X, including a more liquid and transparent share trading platform to shareholders. Accordingly, the Board resolved that the Company applies for the listing of its shares on ZAR X following the JSE Delisting.

ZAR X caters for easy low risk share trading in a regulated environment, and the process is supported by market participants, STRATE and Computershare. Orion will bear the cost of the platform, whilst shareholders will pay market related brokerage fees should they make use of the platform. Orion is excited about the benefits of listing on ZAR X, particularly around the liquidity of the trading and the ease of access and technology innovation for trading purposes. The Company and its controlling shareholder are committed to increasing the spread of shareholders in this regard, also to address the ZAR X condition to meet the minimum spread requirement of 30% and 300 shareholders within a 3 year period.

FINANCIAL INFORMATION

Extracts from the historical financial information of Orion for the for the 15 months ended 30 September 2019 can be found in Section G of the Listing Particulars. It should be noted that the Financial Statements are presented as a property entity and not as a REIT. The comparative results for the year ended 30 June 2018 have not been restated in this regard. The main difference is the requirement to provide for deferred taxation for Capital Gains Tax. This will be reversed again once the Company lists on ZAR X and regains its REIT status.

DIRECTORS

The Board of Directors is detailed below:

Franz Gmeiner (61)	
Nationality	Austrian
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	6 March 2006
Qualifications	B.Com (Hons) CA(SA)
Occupation	Businessman
Position in Company	Chief Executive Officer
Term of office	14 years - no set expiry date

Richard Wilkinson (81)	
Nationality	South African
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	1 September 2003
Qualifications	None
Occupation	Businessman
Position in Company	Independent Non-executive Chairman
Term of office	16 years - Non-executive directors rotate once every 3 years

Theunis Frederik Jacobus Oosthuizen (62)	
Nationality	South African
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	14 December 2015
Qualifications	B Proc (UJ), LLB Stellenbosch, LLM (UJ)
Occupation	Practicing Attorney
Position in Company	Independent Non-executive Director
Term of office	4 years - Non-executive directors rotate once every 3 years

Mlamuli Delani Mthembu (62)	
Nationality	South African
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	22 April 2013
Qualifications	BA Hons (UJ), MSc (Univ KZN)
Occupation	Businessman
Position in Company	Independent Non-executive Director
Term of office	7 years - Non-executive directors rotate once every 3 years

Dr Antoinette C Gmeiner (59)	
Nationality	South African
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	6 March 2006
Qualifications	DCur, MCur, BCur, Master Exec Coach
Occupation	Chief Executive Officer of Orion Business Solutions, and also a director of Orion Business Solutions.
Position in Company	Non-executive Director
Term of office	14 years - Non-executive directors rotate once every 3 years

Andreas Johann Ritzlmayr (51)

Nationality	South African
Business address	3 rd Floor, 26 Wellington Road, Parktown, Johannesburg
Appointment date	April 2019
Qualifications	CA(SA)
Occupation	Chartered Accountant
Position in Company	Financial Director
Term of office	1 year - no set expiry date

AUTHORISED AND ISSUED SHARE CAPITAL

Per the Company's Memorandum of Association, the Company is authorised to issue an unlimited number of no par value shares. The issued share capital is set out below:

Authorised Shares	2 000 000 000
Issued Stated Capital	643 120 785
Treasury shares	3 366 866

The issue of shares is under the control of the directors of the Company, subject to the provisions of the Memorandum of Association and ZAR X Listings Requirements, where applicable. At the Last Practicable Date there were 3 688 866 treasury shares in issue. All of the issued shares are of the same class and rank equally in every respect, including rights to dividends, profits or capital, rights on liquidation or distribution on capital assets.

PROSPECTS

The directors of the Company believe that the Group has excellent prospects based on the following:

Orion has affirmed its investment on commercial, industrial and retail properties. Since the office sector is over supplied, the Company is currently working on strategies to either dispose or repurpose office buildings for residential and student accommodation. 18

Whilst many new and prestigious office developments are evident in all major office nodes in South Africa, the landscape is scattered with vacant and partially vacant office buildings. To this end Orion explored or is exploring the following major initiatives:

- Appointment of additional letting executives;
- Creation of a BEE structure to secure government leases;
- Commissioning of architects to design conversions of office space to residential space and student accommodation;
- Offering the Company's largest office buildings to the market;
- Negotiating with BEE companies for the purpose of creating student accommodation;
- Converting basement car parking spaces to storage units;
- Converting office space to retail space; and
- Setting up a project team to redesign the current website, marketing collateral and widening on-line and social medial exposure.

The hospitality industry is also very challenging at present. To this end Orion is reducing its exposure to hotel properties:

- Hotel Devonshire has been disposed of with the disposal of Orion House and hotel complex.
- Wartburg Hotel has been leased to a third party on a triple net lease basis.

The self-storage business is still in its infancy and it has grown over the past year as it is expected to find traction in the current financial year. There is ample opportunity in this sector.

Whilst the Company will be listing amidst a global financial collapse, the poor performance of property entities in general, the COVID-19 pandemic and the downgrading of South Africa by Moody's, the decision to list on ZAR X is considered to be the correct decision in terms of the short and long term strategy of Orion Real Estate. The immediate benefit will be the reversal of the deferred tax liability raised for Capital Gains Tax and the resultant increase in the net asset value per share as well as the benefit to shareholders of the Company from regaining REIT status.

The Company also largely operates in lower LSM markets which are not expected to be severely affected. Social grants will continue to be paid out and spent accordingly. The newly redeveloped Shoprite Usave in the Delft township is a prime example.

Primrose Mall also operates in a low LSM market and will survive the fall out. The Company is also well positioned to gain office tenants who are looking to reduce rental costs.

The Promenade Centre has an exceptionally busy Boxer supermarket and most tenants in the centre are expected to survive the current crisis.

Although some vacancies and defaults will be expected, with the exception of 296 Kent and the Promenade Centre, all the properties are bond free which makes the portfolio robust even in this terrible climate.

The listing on ZAR X also positions the Company for acquisitive growth going forward.

BY ORDER OF THE BOARD

Johannesburg

24 April 2020

Appointed Advisor
Arbor Capital Sponsors



Auditors & Reporting Accountants
Nexia SAB&T



Company Secretary
Arbor Capital Company Secretarial



This announcement is issued pursuant to the ZAR X Listings Requirements. The directors of Orion Real Estate accept full responsibility for the accuracy of the information contained in this announcement.