

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

The definitions and interpretations commencing on page 6 of this circular have been used on this cover page.

If you are in any doubt as to what action to take, please consult your CSDP, CREST provider, broker, custodian, banker, accountant, legal advisor or other professional advisor.

**Action required**

If you have disposed of all your shares in NEPI, this circular should be handed to the purchaser of such shares or to the CSDP, CREST provider, broker, custodian, banker or other agent through whom the disposal was effected.

NEPI shareholders are referred to pages 4 and 5 of this circular, which sets out the detailed action required of them in respect of the proposals set out in this circular.

All times indicated are local times in the country to which they refer.

**THE ATTENTION OF SHAREHOLDERS IS DRAWN TO THE FACT THAT SHOULD THEY NOT ACTION THE CONTENTS OF THIS CIRCULAR, THEY WILL BE DEEMED TO HAVE ELECTED TO RECEIVE THE CASH DIVIDEND.**

**NEPI does not accept responsibility and will not be held liable for any failure on the part of the CSDP, CREST provider, broker or custodian of any holder of dematerialised or certificated shares to notify such shareholder of the proposals set out in this circular.**



**New Europe Property Investments plc**

(Incorporated and registered in the Isle of Man with registered number 001211V)

(Registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10)

AIM share code: NEPI JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02

("NEPI" or "the company")

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**CIRCULAR TO NEPI SHAREHOLDERS**

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relating to:

- an election being offered to NEPI shareholders to receive either a cash dividend or a return of capital by way of an issue of new NEPI shares

and enclosing:

- an election form (for use by certificated shareholders on the SA share register, all shareholders on the UK share register and all shareholders registered in Romania)

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Corporate advisor, legal advisor as to  
South African law and JSE sponsor

**JAVACAPITAL**

Legal advisor as to Isle of Man law



**Consilium**

AIM Nominated Advisor and Broker

**Smith &  
Williamson**

BVB advisor

**intercapital  
invest**

Advisor as to Romanian law

**Reff | Associates**

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Date of issue: Friday, 19 February 2016

*This circular is available in English and in Romanian. Copies of this circular may be obtained at the company's JSE sponsor, Java Capital Proprietary Limited, 6A Sandown Valley Crescent, Sandton, 2196 and at the company's UK transfer secretaries, Computershare Investor Services (Jersey) Limited, Queensway House, Hilgrove Street, St Helier, Jersey, JE1 1ES, from Friday, 19 February 2016 up to and including Friday, 18 March 2016. It will also be available on the website of the company ([www.nepinvest.com](http://www.nepinvest.com)), on the website of the BVB ([www.bvb.ro](http://www.bvb.ro)) and at the office of the company's AIM Nominated Advisor and Broker, Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY, from Friday, 19 February 2016. Electronic copies of the circular may be obtained on request from the company's SA transfer secretaries, Computershare Investor Services Proprietary Limited.*

NEPI is listed on the Main Board of the JSE, the regulated market of the BVB and the AIM of the LSE.

**Persons responsible for the circular**

Alexandru Morar – Chief Executive Officer, NEPI

Mirela Covasa – Finance Director, NEPI

**Statement of responsible persons**

Following the review of the content of this circular, the above mentioned responsible persons representing the issuer, New Europe Property Investments plc, hereby state that after taking all reasonable measures and according to their best knowledge, the information in this circular is in conformity with reality, true and accurate in all material respects and does not contain material errors that could have a significant impact on the circular.

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## CORPORATE INFORMATION

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### **Registered office in the Isle of Man**

2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN

### **Corporate advisor and legal advisor as to South African law**

Java Capital Proprietary Limited  
(Registration number 2012/089864/07)  
6A Sandown Valley Crescent, Sandton  
Johannesburg, 2196  
(PO Box 2087, Parklands, 2121)

### **Legal advisor as to Isle of Man law**

Consilium Limited  
(Registration number 003570V)  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### **JSE sponsor**

Java Capital Trustees and Sponsors Proprietary Limited  
(Registration number 2006/005780/07)  
6A Sandown Valley Crescent, Sandton  
Johannesburg, 2196  
(PO Box 2087, Parklands, 2121)

### **UK transfer secretaries**

Computershare Investor Services (Jersey) Limited  
(Registration number 75505)  
Queensway House  
Hilgrove Street  
St Helier Jersey, JE1 IES  
(Postal address as above)

### **SA transfer secretaries**

Computershare Investor Services Proprietary Limited  
(Registration number 2004/003647/07)  
Ground Floor  
70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

### **Legal advisor as to Romanian law**

Reff&Associatii SCA  
(Bucharest Bar decision No. 1110/13 March 2006)  
4 – 8 NicolaeTitulescu Road  
East Entrance, 3rd Floor Sector 1  
011141 Bucharest, Romania  
(Postal address as above)

### **Registered office in South Africa**

4th Floor  
Rivonia Village  
Rivonia Boulevard, Rivonia  
Johannesburg, 2191

### **AIM Nominated Advisor and Broker**

Smith & Williamson Corporate Finance Limited  
(Registration number 4533970)  
25 Moorgate, London, EC2R 6AY  
(Postal address as above)

### **Isle of Man administrator and registrar**

Sabre Fiduciary Limited  
(Registration number 124715C)  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### **Company secretary**

Cornelius Eduard Cassell  
2nd Floor, Anglo International House  
Lord Street  
Douglas  
Isle of Man, IM1 4LN  
(Postal address as above)

### **UK receiving agent**

Computershare Investor Services PLC  
(Registration number 03498808)  
Corporate Actions Projects  
Bristol, BS99 6AH  
(Postal address as above)

### **BVB advisor\***

SSIF Intercapital Invest SA  
(Registration number J40/6447/1995)  
33 Aviatorilor Boulevard  
1st Floor Sector 1  
Bucharest, Romania  
(Postal address as above)

### **Place and date of incorporation**

Incorporated in the Isle of Man on 23 July 2007

*\*Romanian intermediary assisting the company as per requirements of Annex 20 of the Romanian National Securities Commission Regulation 1/2006*

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## SALIENT DATES AND TIMES

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### For shareholders on the SA share register

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2016

Announcement on SENS of Rand exchange rate by 11:00 on or before	Friday, 26 February
Announcement on SENS of reference price and return of capital ratio by 11:00 on or before	Friday, 26 February
Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on	Friday, 4 March
Shares commence trading <i>ex</i> the cash dividend or return of capital on	Monday, 7 March
Record date for shareholders recorded on the SA share register	Friday, 11 March
Closing date for receipt of completed election forms by no later than 12:00 on	Friday, 11 March
Announcement on SENS of the amount of new NEPI shares issued on	Friday, 18 March
Dispatch of share certificates, payment of cash dividend, CSDP/broker accounts credited/updated and new NEPI shares listed on the JSE on	Tuesday, 22 March

#### Notes:

1. All dates and times quoted above are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be announced on SENS and published in the press in South Africa.
2. NEPI shareholders are referred to pages 4 and 5 of this circular for information on the action required to be taken by them.
3. **Shareholders should note that new NEPI shares should not be traded until the new NEPI shares are issued or reflect in their accounts with their CSDP or broker on Tuesday, 22 March 2016.**
4. Share certificates may not be dematerialised or rematerialised nor may transfers of shares between sub-registers in the United Kingdom, South Africa and Romania take place between Monday, 7 March 2016 and Friday, 11 March 2016 both days inclusive.
5. Shareholders on the SA share register will receive a cash dividend in South African Rand, based on the Rand exchange rate. An announcement in this respect will be made on or before Friday, 26 February 2016.

### For shareholders on the UK share register

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2016

Announcement on RNS of reference price and return of capital ratio on or before	Friday, 26 February
Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on	Wednesday, 9 March
Shares commence trading <i>ex</i> the cash dividend or return of capital on	Thursday, 10 March
Record date for shareholders recorded on the UK share register	Friday, 11 March
Closing date for receipt of completed election forms by no later than 12:00 on	Friday, 11 March
Announcement on RNS of the amount of new NEPI shares issued on	Friday, 18 March
Dispatch of share certificates, payment of cash dividend, CREST accounts credited/updated and new NEPI shares listed on AIM on	Tuesday, 22 March

#### Notes:

1. All dates and times quoted above are local dates and times in the United Kingdom. The above dates and times are subject to change. Any changes will be released on RNS.
2. NEPI shareholders are referred to pages 4 and 5 of this circular for information on the action required to be taken by them.
3. **Shareholders should note that new NEPI shares should not be traded until the new NEPI shares are issued or reflect in their accounts with their CREST provider or broker on Tuesday, 22 March 2016.**
4. Share certificates may not be uncertificated or recertificated, nor may transfers of shares between sub-registers in the United Kingdom, South Africa and Romania take place between Monday, 7 March 2016 and Friday, 11 March 2016 both days inclusive.

## For shareholders registered in Romania

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2016

Announcement on BVB of reference price and return of capital ratio on or before	Friday, 26 February
Last day to trade in order to be eligible for the cash dividend or alternatively the return of capital on	Wednesday, 9 March
Shares commence trading <i>ex</i> the cash dividend or return of capital on	Thursday, 10 March
Romanian record date	Friday, 11 March
Last date when the shareholders registered in Romania who/which elect to receive the return of capital should complete the election form and submit it to NEPI, this being the closing date for receipt of completed election forms by no later than 15:30 on	Friday, 11 March
Announcement on BVB of the amount of new NEPI shares issued on	Friday, 18 March
Payment of cash dividend and/or broker share accounts updated and new NEPI shares listed on BVB on	Tuesday, 22 March

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### Notes:

1. All dates and times quoted above are local dates and times in Romania. The above dates and times are subject to change. Any changes will be released on the BVB.
2. NEPI shareholders are referred to pages 4 and 5 of this circular for information on the action required to be taken by them.
3. **Shareholders should note that new NEPI shares should not be traded until the new NEPI shares are issued or reflect in their accounts with their CSDP or broker on Tuesday, 22 March 2016.**
4. Share certificates may not be dematerialised or rematerialised, nor may transfer of shares between the sub-registers in the United Kingdom, South Africa and Romania take place between Monday, 7 March 2016 and Friday, 11 March 2016 both days inclusive.

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## **ACTION REQUIRED BY NEPI SHAREHOLDERS**

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The definitions and interpretations commencing on page 6 of this circular apply to this section.

The following information pertains to all of the company's shareholders.

On 9 February 2016 it was announced that the board had approved a final distribution of 17.17 Euro cents per share in respect of the six months ended 31 December 2015, which combined with the distributable earnings for the first half of the financial year, results in a 35.34 Euro cents per share distribution for 2015, and that the board intends offering to shareholders the election to receive a return of capital or a cash dividend. Accordingly, you are entitled to receive either a return of capital or a cash dividend.

Should you wish to receive the cash dividend or should you take no action, regardless of being a certificated or dematerialised shareholder, you shall on Tuesday, 22 March 2016 receive the cash dividend. In respect of certificated shareholders, dividend payments will be made by electronic funds transfer and in respect of dematerialised shareholders, your CSDP/broker accounts will be credited and updated.

All times indicated below are local times in the country to which they refer.

If you elect to receive the return of capital, please note the following action is required to be taken by you:

### **SHAREHOLDERS RECORDED ON THE SA SHARE REGISTER**

#### **1. CERTIFICATED SHAREHOLDERS**

Certificated shareholders must complete the attached election form in accordance with the instructions contained therein and lodge it with the SA transfer secretaries, Computershare Investor Services Proprietary Limited, 70 Marshall Street, Johannesburg, 2001 (PO Box 61763, Marshalltown, 2107), to be received by them by no later than 12:00 on Friday, 11 March 2016. Election forms received after this date and time will not be accepted.

Where applicable, share certificates will be dispatched to all certificated shareholders by registered post at the risk of such shareholders on Tuesday, 22 March 2016 or in accordance with the instructions given to the SA transfer secretaries.

#### **2. DEMATERIALISED SHAREHOLDERS**

Dematerialised shareholders are required to notify their duly appointed CSDP, broker or custodian if they wish to receive the new NEPI shares pursuant to the return of capital in the manner and the time stipulated in the agreement governing the relationship between such shareholders and their CSDP, broker or custodian, failing which they will receive the cash dividend.

Dematerialised shareholders' CSDP/broker accounts will be credited and updated with the new NEPI shares on Tuesday, 22 March 2016.

### **SHAREHOLDERS RECORDED ON THE UK SHARE REGISTER**

#### **1. CERTIFICATED SHAREHOLDERS**

Certificated shareholders must complete the attached election form in accordance with the instructions contained therein and lodge it with the UK receiving agent, Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, to be received by them by no later than 12:00 on Friday, 11 March 2016. The election forms may be submitted to the UK receiving agent by post, fax or email. Election forms received after this date and time will not be accepted.

Share certificates will be dispatched to all certificated shareholders by registered post at the risk of such shareholders on Tuesday, 22 March 2016 or in accordance with the instructions given to the UK transfer secretaries.

#### **2. UNCERTIFICATED SHAREHOLDERS**

If they wish to receive the new NEPI shares pursuant to the return of capital, uncertificated shareholders are required to complete the attached election form in the manner and by the time stipulated in the agreement governing the relationship between such shareholders and their CREST provider, broker or custodian, failing which they will receive the cash dividend.

It is recommended that uncertificated shareholders contact their duly appointed CREST provider, broker or custodian to assist with the completion and submission of their election form. For beneficial holders within a CREST custodian service, only their CREST provider, broker or custodian is able to complete and submit the attached election form.

Uncertificated shareholders' CREST accounts will be credited and updated with the new NEPI shares on Tuesday, 22 March 2016.

#### **SHAREHOLDERS REGISTERED IN ROMANIA**

Shareholders registered in Romania who/which are entitled to receive dividends and who/which elect to receive the return of capital should complete the election form, taking into consideration the specific provisions applicable as of 15:30 on Friday, 11 March 2016, and submit the election form to NEPI by no later than 15:30 on Friday, 11 March 2016. No election forms shall be accepted after 15:30 on Friday, 11 March 2016.

Shareholders who/which do not elect to receive the return of capital will, without any action on their part, be deemed to have chosen to receive the cash dividend.

Instructions for completing the election form and relevant return address are given on the election form.

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## DEFINITIONS AND INTERPRETATIONS

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In this circular and the election form attached hereto, unless the context indicates a contrary intention, the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and *vice versa*; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and *vice versa* and cognate expressions shall bear corresponding meanings.

“AIM”	the AIM market of the London Stock Exchange;
“articles of association”	the articles of association of NEPI;
“board” or “board of directors”	the board of directors of NEPI;
“BVB”	Bucharest Stock Exchange;
“cash dividend”	the cash dividend of 17.17 Euro cents per share payable to shareholders out of the company’s distributable profits in accordance with their shareholding in the company as at the record date, unless receipt of the return of capital has been elected;
“certificated shareholder”	NEPI shareholders holding certificated shares in the company;
“certificated shares”	a share or other security which is not in uncertificated form (that is not in CREST or Strate);
“circular” or “this circular”	this circular dated 19 February 2016, including the election form attached hereto;
“CREST”	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holdings of shares in uncertificated form in respect of which Euroclear is the operator, in accordance with which securities may be held and transferred in uncertificated form;
“CREST provider, broker or custodian”	a person or company that enables shareholders to hold and transfer their securities in uncertificated form or to hold and transfer their securities in uncertificated form on their behalf;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/3755), as amended, of the UK;
“CSDP”	a central securities depository participant appointed by a shareholder for purposes of, and in regard to dematerialisation, and to hold and administer securities or an interest in securities on behalf of a shareholder;
“dematerialisation”	the process whereby certificated shares are converted to electronic form as uncertificated shares and recorded in the sub-register of shareholders maintained by a CSDP or custodian;
“dematerialised shareholders”	NEPI shareholders who hold shares in dematerialised (uncertificated) form through Strate;
“dematerialised shares”	NEPI shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;
“documents of title”	share certificates and/or certified transfer deeds and/or balance receipts or any other documents of title in respect of NEPI shares;
“election form”	the election form attached to this circular to be completed by certificated shareholders on the SA share register, all shareholders on the UK share register and all shareholders registered in Romania electing to receive the return of capital;
“EUR”, “Euro” or “€”	the lawful common currency from time to time of participating member states of the European Union;



<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, a company incorporated under the laws of England and Wales and the operator of CREST;
<b>“Exchange Control”</b>	the Financial Surveillance Department of the South African Reserve Bank;
<b>“Exchange Control Regulations”</b>	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act (Act 9 of 1933), as amended;
<b>“FSA”</b>	means the Financial Supervision Authority (in Romanian <i>“Autoritatea de Supraveghere Financiară”</i> ), the regulatory authority which exercises the supervision over the capital market, regulated markets and operations with securities;
<b>“JSE”</b>	JSE Limited (Registration number 2005/022939/06), a public company incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act of South Africa (Act 19 of 2012), as amended;
<b>“JSE Listings Requirements”</b>	the Listings Requirements as published by the JSE, as amended from time to time;
<b>“JSE sponsor”</b>	Java Capital Trustees and Sponsor Proprietary Limited (Registration number 2006/005780/07), a private company duly incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate Information” section;
<b>“LSE”</b>	the London Stock Exchange plc;
<b>“NEPI” or “the company”</b>	New Europe Property Investments PLC, incorporated and registered in the Isle of Man (Registered number 001211V) and registered as an external company with limited liability under the laws of South Africa (Registration number 2009/000025/10), full details of which are set out in the “Corporate Information” section;
<b>“new NEPI shares”</b>	new fully-paid ordinary NEPI shares to be issued at the reference price as a capitalisation of part of the company’s share premium account pursuant to the return of capital;
<b>“Rand”</b>	South African Rand, the lawful currency of South Africa;
<b>“Rand exchange rate”</b>	the Euro to Rand conversion rate to be announced on or before Friday, 26 February 2016;
<b>“record date”</b>	the SA record date, the UK record date and/or the Romanian record date, as the context may indicate;
<b>“reference price”</b>	up to a 5% discount to the five-day volume weighted average traded price (less the cash dividend) of NEPI shares on the JSE, to be announced on or before Friday, 26 February 2016. For NEPI shares on the UK and Romanian registers, the reference price will be converted to Euro at the Rand exchange rate;
<b>“return of capital”</b>	the issue of new NEPI shares to NEPI shareholders who have so elected, in proportion to their shareholding in NEPI as at the record date and credited as fully paid up, by way of a capitalisation of part of the company’s share premium account;
<b>“return of capital ratio”</b>	the ratio that the cash dividend bears to the reference price, which ratio will determine the number of new NEPI shares to be issued for every 100 NEPI shares held by shareholders electing to receive the return of capital on the SA record date, the UK record date or the Romanian record date, as the case may be, and which ratio will be announced on or before Friday, 26 February 2016;
<b>“RNS”</b>	Regulatory News Service of the LSE;
<b>“Romania”</b>	the country of Romania;

<b>“Romanian Central Depository”</b>	Depozitarul Central S.A., a joint stock company duly incorporated in accordance with the laws of Romania, authorised by FSA and the National Bank of Romania as central securities depository and which is responsible for the electronic settlement system on the BVB;
<b>“Romanian custodian”</b>	a Romanian Central Depository participant appointed by a shareholder for the purpose of holding and administering securities on behalf of the shareholder, which in turn, hold the NEPI shares via global accounts at the Romanian Central Depository;
<b>“Romanian record date”</b>	the date on which a NEPI shareholder registered in Romania must be recorded in the register in order to participate in the cash dividend or the return of capital, being the close of business on Friday, 11 March 2016;
<b>“SA record date”</b>	the date on which a NEPI shareholder on the SA share register must be recorded in the register in order to participate in the cash dividend or the return of capital, being the close of business on Friday, 11 March 2016;
<b>“SA share register”</b>	the share register maintained on behalf of the company in South Africa by the SA transfer secretaries;
<b>“SA transfer secretaries”</b>	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in terms of the laws of South Africa, full details of which are set out in the “Corporate Information” section;
<b>“SENS”</b>	Stock Exchange News Service of the JSE;
<b>“shareholder”, “NEPI shareholder” or “member”</b>	a registered holder of NEPI shares registered on the SA share register, the UK share register or in Romania;
<b>“shareholders registered in Romania”</b>	the shareholders of NEPI who hold their shares via broker or custodian accounts in Romania, which brokers and custodians in turn, hold the NEPI shares <i>via</i> global accounts at the Romanian Central Depository;
<b>“shares” or “NEPI shares”</b>	ordinary shares in the share capital of NEPI with a par value of €0.01 each;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Strate”</b>	Strate Proprietary Limited (Registration number 1998/022242/07), a registered central securities depository in terms of the Financial Markets Act of South Africa (Act 19 of 2012), as amended;
<b>“transfer secretaries”</b>	collectively, the SA transfer secretaries and the UK transfer secretaries;
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland;
<b>“UK City Code”</b>	UK City Code on Takeovers and Mergers;
<b>“UK receiving agent”</b>	Computershare Investor Services PLC (Registration number 2004/003647/07), full details of which are set out in the “Corporate Information” section;
<b>“UK record date”</b>	the date on which a NEPI shareholder on the UK share register must be recorded in the register in order to participate in the cash dividend or the return of capital, being the close of business on Friday, 11 March 2016;
<b>“UK share register”</b>	the share register maintained on behalf of the company in Jersey by the UK transfer secretaries;
<b>“UK transfer secretaries”</b>	Computershare Investor Services (Jersey) Limited (Registration number 75005), a company duly incorporated in terms of the laws of Jersey, full details of which are set out in the “Corporate Information” section;
<b>“uncertificated form” or “in uncertificated form”</b>	recorded on the register of members as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
<b>“uncertificated shareholders”</b>	NEPI shareholders who hold shares in dematerialised (uncertificated) form through CREST.



## **New Europe Property Investments plc**

(Incorporated and registered in the Isle of Man with registered number 001211V)

(Registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10)

AIM share code: NEPI    JSE share code: NEP    BVB share code: NEP

ISIN: IM00B23XCH02

("NEPI" or "the company")

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## **CIRCULAR TO NEPI SHAREHOLDERS**

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### **1. INTRODUCTION**

On 9 February 2016 it was announced that the board had approved a final distribution of 17.17 Euro cents per share in respect of the six months ended 31 December 2015, which combined with the distributable earnings for the first half on the financial year, results in a 35.34 Euro cents per share distribution for 2015, and that the board intends offering to shareholders the election to receive a return of capital by way of an issue of new NEPI shares (of the same class as existing shares) credited as fully paid up or a cash dividend. Accordingly, a cash dividend will be paid to shareholders unless shareholders elect to receive a return of capital by way of an issue of new NEPI shares credited as fully paid up. NEPI shareholders on the record date who elect to receive the return of capital instead of the cash dividend, must ensure that their election forms are received by the transfer secretaries in accordance with the salient dates and times mentioned in this circular.

### **2. CASH DIVIDEND**

#### **2.1 Shareholders on the SA share register**

2.1.1 South African resident and non-resident shareholders who hold NEPI shares on the UK share register or such shareholders registered in Romania and who elect to receive the cash dividend will receive the cash dividend in Euro. South African resident shareholders who hold shares on the SA share register will receive the cash dividend in Rand. Non-resident shareholders who hold shares on the SA share register have the option to receive the cash dividend in Rand for the credit of their non-resident Rand account or to receive the said dividend in foreign currency, on the basis that the foreign currency is transferred to South Africa and converted to Rand at the prevailing spot rate on the date of settlement, whereafter the Rand amount will then be transferred to the non-resident's non-resident Rand account. Thereafter the non-resident may utilise the Rands in South Africa or transfer the funds to a nominated bank account abroad in the foreign currency of their choice.

2.1.2 Shareholders not electing to receive the return of capital will, without any action on their part, be deemed to have elected to receive the cash dividend.

2.1.3 The cash dividend will be paid out of the company's distributable profits.

#### **2.2 Shareholders on the UK share register**

2.2.1 Shareholders not electing to receive the return of capital will, without any action on their part, be deemed to have elected to receive the cash dividend.

2.2.2 The cash dividend will be paid out of the company's distributable profits.

#### **2.3 Shareholders registered in Romania**

2.3.1 Shareholders not electing to receive the return of capital will, without any action on their part, be deemed to have elected to receive the cash dividend.

2.3.2 The cash dividend will be paid out of the company's distributable profits.

#### **2.4 Value of dividends**

If no shareholders were to elect to receive the return of capital the value of the dividends would amount to €51 268 000.

### 3. THE RETURN OF CAPITAL

#### 3.1 Terms of the return of capital

- 3.1.1 The return of capital will take place in accordance with article 13 of the company's articles of association.
- 3.1.2 Should a shareholder validly elect to receive the return of capital, such shareholder will (subject to 3.1.4 below) become entitled to a number of new NEPI shares which will be determined by such shareholder's shareholding in NEPI as at the record date in terms of the return of capital ratio. The new NEPI shares to be issued pursuant to the return of capital are funded by way of a reduction of part of the company's share premium account (which is a reduction of capital).
- 3.1.3 The election may be made by shareholders in respect of the whole of their shareholdings as of the record date only. Nominee shareholders are permitted to make elections on part of their shareholding.
- 3.1.4 NEPI reserves the right to reduce the number of new NEPI shares issued to an electing shareholder in respect of the return of capital if the issue of such shareholder's full allocation of new NEPI shares would result in that shareholder (individually or together with any shareholders deemed to be acting in concert with such shareholder) having an interest in NEPI shares that would ordinarily require the shareholder (or group of shareholders) to make a mandatory cash offer for NEPI pursuant to Rule 9 of the UK City Code or a mandatory takeover offer pursuant to Article 203 of the Romanian Capital Market Law No. 297/2004. In such circumstances, the shareholder will receive the balance of their entitlement as a cash dividend on the basis of 17.17 Euro cents per share.

#### 3.2 Fractions

The allocation of new NEPI shares will be such that shareholders who elect to receive the return of capital will not be allocated a fraction of a new NEPI share and as such any entitlement to receive a fraction of a new NEPI share which:

- 3.2.1 is less than one-half of a new NEPI share, will be rounded down to the nearest whole number; and
- 3.2.2 is equal to or greater than one-half of a new NEPI share but less than a whole new NEPI share, will be rounded up to the nearest whole number.

### 4. RATIONALE FOR THE RETURN OF CAPITAL

The rationale for the return of capital is to afford shareholders the opportunity to increase their shareholding in NEPI and to retain flexibility with regard to the company's cash resources.

### 5. TAX IMPLICATIONS

#### 5.1 SA resident shareholders

- 5.1.1 The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders.
- 5.1.2 For those South African resident shareholders receiving the cash dividend, such amount will be regarded as a foreign dividend and may be subject to South African dividends withholding tax at a rate of 15%, unless an exemption as set out in the South African tax legislation applies.
- 5.1.3 The receipt of new NEPI shares by South African resident shareholders should not be classified as a dividend or a foreign dividend for South African tax purposes and accordingly, South African dividends withholding tax should not be levied on the new NEPI shares. However, the legislation in this regard is complex and its implementation is uncertain. Shareholders should therefore seek independent professional tax advice.
- 5.1.4 NEPI shareholders are advised to consult their professional advisors regarding the tax consequences of the cash dividend and the return of capital or should they be in any doubt as to the appropriate action to take.
- 5.1.5 In terms of the JSE Listings Requirements regarding dividends withholding tax in South Africa, NEPI shareholders are advised that there is no withholding tax payable in the Isle of Man.

## 5.2 Shareholders residing outside South Africa

The receipt of the cash dividend or election to receive the return of capital may have tax implications for shareholders who are resident in the United Kingdom, Romania or other countries, and such shareholders are advised to obtain appropriate advice from their professional advisors in this regard.

## 6. LISTING OF NEW NEPI SHARES

Application will be made to the JSE, AIM and the BVB to list the new NEPI shares issued in terms of the return of capital with effect from the commencement of trade on Tuesday, 22 March 2016.

## 7. SOUTH AFRICAN LAW, ROMANIAN LAW, UK LAW AND ISLE OF MAN LAW

All transactions arising from the provisions of this circular and the election form shall be governed by and be subject to the laws of South Africa, Romania, the United Kingdom and the Isle of Man, and in the event of any conflict, such conflict will be resolved in accordance with recognised and established principles of conflict of laws.

## 8. EXCHANGE CONTROL REGULATIONS (FOR SHAREHOLDERS ON THE SA SHARE REGISTER)

8.1 The following is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations applicable to shareholders on the SA share register.

8.2 NEPI shareholders who are in any doubt as to the appropriate course of action to take should consult their professional advisors.

8.3 New NEPI shares issued in terms of the return of capital are not freely transferable from South Africa and must be dealt with in the terms of the Exchange Control Regulations.

8.4 Shareholders who hold shares on the SA share register can only receive shares on that register.

8.5 South African resident and non-resident shareholders who hold NEPI shares on AIM and the BVB and who elect to receive the cash dividend have the option to receive the cash dividend in Euro. South African resident shareholders who hold shares on the SA share register will receive the cash dividend in Rand. Non-resident shareholders who hold shares on the SA share register have the option to receive the cash dividend in Rand for the credit of their non-resident Rand account or to receive the said dividend in foreign currency, on the basis that the foreign currency is transferred to South Africa and converted to Rand at the prevailing spot rate on date of settlement, whereafter the Rand amount will be transferred to the non-resident's non-resident Rand account. Thereafter the non-resident may utilise the Rands in South Africa or transfer the funds to a nominated bank account abroad in the foreign currency of their choice.

### 8.6 Shareholders who elect to receive:

#### 8.6.1 *The cash dividend*

##### *Non-residents and emigrants*

As the cash dividend will be paid out of the company's distributable profits, such dividends are freely transferable from South Africa.

The election of the cash dividend by emigrants must be made through an authorised dealer in foreign exchange controlling the shareholder's emigrant blocked assets.

#### 8.6.2 *New NEPI shares*

##### 8.6.2.1 *In the case of certificated shareholders:*

##### 8.6.2.1.1 *Non-residents*

Share certificates will be issued with a "non-resident" endorsement and will be sent to the registered address of the shareholder concerned or in accordance with the instructions given to the transfer secretaries.

8.6.2.1.2 *Emigrants*

Any new share certificates based on emigrants' shares controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the Authorised Dealer in foreign exchange controlling their blocked assets. Such share certificates will be endorsed "Non-Resident".

8.6.2.2 *In the case of dematerialised shareholders:*

All aspects relating to the Exchange Control Regulations will be managed by their CSDP or broker, as follows:

8.6.2.2.1 *Non-residents*

Ordinary shares issued will be credited to their CSDP or broker accounts and a "non-resident" annotation will appear in the CSDP or broker register.

Dividend payments will be credited directly to the bank accounts nominated for them by their CSDP or broker.

8.6.2.2.2 *Emigrants*

New NEPI shares issued, based on ordinary shares controlled in terms of the Exchange Control Regulations, will be credited to the emigrant blocked share accounts at the CSDP or broker controlling their blocked assets and a "non-resident" annotation will appear in the CSDP or broker register.

## 9. **CONSENTS**

Each of the corporate advisor and legal advisor as to South African law, JSE sponsor, the AIM Nominated Advisor and Broker, the BVB advisor, the company secretary, the legal advisor as to the Isle of Man law, the legal advisor as to Romanian law, the Isle of Man administrator and registrar, the SA transfer secretaries, the UK transfer secretaries and the UK receiving agent, whose names are set out in the "Corporate Information" section, have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

Signed by Mirela Covasa on her own behalf and on behalf of all the other directors of the company on 19 February 2016, she being duly authorised under a round robin resolution passed by such directors.

**Mirela Covasa**

19 February 2016



## **New Europe Property Investments plc**

(Incorporated and registered in the Isle of Man with registered number 001211V)

(Registered as an external company with limited liability under the laws of South Africa, registration number 2009/000025/10)

AIM share code: NEPI JSE share code: NEP BVB share code: NEP ISIN: IM00B23XCH02

("NEPI" or "the company")

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## **NEW EUROPE PROPERTY INVESTMENTS PLC – ELECTION FORM**

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### **A CASH DIVIDEND OR A RETURN OF CAPITAL THROUGH THE ISSUE OF NEW NEPI SHARES**

Only for use by certificated shareholders on the SA share register, all shareholders on the UK share register and all shareholders registered in Romania who elect to receive the return of capital by way of the issue of new NEPI shares in proportion to such shareholder's shareholding in NEPI in respect of their entire shareholding held or deemed to be held at the close of business on the record date. Shareholders who fail to make an election if entitled to do so, will, by default, be paid the cash dividend.

Dematerialised shareholders on the SA share register who wish to receive the return of capital must instruct their CSDP, broker or custodian in terms of the custody agreement entered into between them and such entity and must not complete this form. Please refer to the "Action required by NEPI shareholders" section of the circular.

The election forms may be submitted to the transfer secretaries by post, fax or email.

Shareholders, who wish to receive only the cash dividend must not complete this election form and no further action is required by them.

### **NO LATE ELECTION FORMS WILL BE ACCEPTED.**

#### **The transfer secretaries:**

##### **SA transfer secretaries**

Computershare Investor Services  
Proprietary Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

##### **UK receiving agent**

Computershare Investor Services PLC  
Corporate Actions Projects  
Bristol  
BS99 6AH

##### **Romania**

NEPI Investment Management SRL  
301 – 311 Barbu Văcărescu Str.,  
3rd Floor, Office 14, District 2,  
Bucharest, Romania

#### **Attention: Corporate Actions Department**

Tel: +27 11 370 5000

(available between 08:00 and 16:30 SA time)

Fax: +27 11 688 5210

Email: corporate.events@computershare.co.za

Tel: +44 (0) 870 707 4040

Fax +44 (0) 870 703 6112

Email: nepi.distribution@computershare.co.uk

#### **Attention: Financial Department**

Tel: +4 021 232 13 98

Fax: +4 021 232 13 99

Email: office@nepinvest.com

I/We (name in BLOCK LETTERS)

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regarding the election of the return of capital:

- hereby irrevocably elect to accept the return of capital in respect of the number of ordinary shares reflected in Block (2) overleaf and on the terms and conditions contained in this election form and in the circular;
- acknowledge that this election form is applicable only in respect of ordinary shares in the company of which I/we was/were the registered holder(s) at the close business on the record date (Friday, 11 March 2016); and
- acknowledge that I/we am/are only entitled to an issue of new, fully-paid ordinary shares determined using the return of capital ratio (as announced on or before Friday, 26 February 2016) held at the record date, being Friday, 11 March 2016.

Signed at

on

2016

Assisted by (where applicable)

Signature

Email address:

Telephone numbers including international and area codes:

Home:

Work:

Cellular phone/mobile number:

**Notes:**

1. Shareholders should refer to the "Action required by NEPI shareholders" section of the circular. Terms in this election form bear the same meaning as in the circular unless the context indicates otherwise.
2. The signature of this election form by any person who is under legal disability shall be accompanied by the signature of such person's parent, guardian or legal representative, as the case may be.
3. In order to be valid, this election form must be properly completed and received by the appropriate transfer secretaries detailed above, in accordance with the salient dates and times mentioned in the circular.
4. NEPI reserves the right in its discretion to:
  - 4.1 treat as invalid (in which case a cash dividend will be paid on the terms contained in the circular) any election form not complying with the terms of the election, any instruction or the circular;
  - 4.2 reduce the number of shares allocated to a shareholder in certain circumstances (in which case a *pro rata* cash dividend will be paid on the terms contained in the circular); and/or
  - 4.3 require proof of the authority of the person signing this election form where such proof has not yet been lodged with or recorded by the applicable transfer secretaries.
5. Any alteration or correction made to this election form must be initialled by the signatory(ies).
6. All times indicated are local times in the country to which they refer.

**SHAREHOLDERS ARE REQUIRED TO COMPLETE ACCURATELY THE INFORMATION IN THE BLOCKS BELOW:**

Name, address and contact number of registered shareholder:	
(1)	
<b>Shareholders on the SA share register</b>	Shareholder reference number:
<b>Shareholders on the UK share register</b>	CREST Participant ID:
	CREST Member Account:
<b>Shareholders on the register in Romania</b>	
(i) Individual shareholders	Broker member code:
	Client account with the broker:
(ii) Shareholders with the Romanian custodian	Custodian member code:
	Client account with the Romanian custodian:
(iii) Shareholders with own broker account	Broker name:
	Broker account:



**ALL Shareholders**

Account number with transfer secretaries (if known)	Number of shares held or deemed to be held on the record date, being Friday, 11 March 2016	
<b>(2) Number of shares for which the return of capital is elected:</b>		
<p>The return of capital can only be elected in respect of all and not part only of your shareholding in NEPI, unless it is completed by a CREST or CSDP provider acting on behalf of multiple underlying shareholders. If this box is not completed or is completed incorrectly but the remaining parts of the election form are correct, then you are deemed to have elected to receive the return of capital based on your entire holding of shares held on the record date, being Friday, 11 March 2016. The number of new NEPI shares to which you will become entitled should you elect to receive the return of capital, based on the number of shares held or deemed to be held on the record date, will be determined with reference to the return of capital ratio, which ratio will be announced on or before Friday, 26 February 2016.</p>		
Date of signature	Signature	Signature
	Signature	Signature
Contact number:		

**Instructions on how to complete this election form:**

For the terms and conditions governing the election, refer to the circular to which this form was attached.

If you hold share certificate(s) and elect to receive the return of capital, you should complete Block (2) above in accordance with the instructions herein and lodge this election form with the transfer secretaries:

**SA transfer secretaries**

Computershare Investor Services  
Proprietary Limited  
Ground Floor, 70 Marshall Street  
Johannesburg, 2001  
(PO Box 61763, Marshalltown, 2107)

**UK receiving agent**

Computershare Investor Services PLC  
Corporate Actions Projects  
Bristol  
BS99 6AH

**Romania**

NEPI Investment Management SRL  
301 – 311 Barbu Văcărescu Str.,  
3rd Floor, Office 14, District 2,  
Bucharest, Romania

**Attention: Corporate Actions Department**

Tel: +27 11 370 5000

(available between 08:00 and 16:30 SA time)

Fax: +27 11 688 5210

Email: corporate.events@computershare.co.za

Tel: +44 (0) 870 707 4040

Fax +44 (0) 870 703 6112

Email: nepi.distribution@computershare.co.uk

**Attention: Financial Department**

Tel: +4 021 232 13 98

Fax: +4 021 232 13 99

Email: office@nepinvest.com

The non-receipt of election forms by the appropriate transfer secretaries, or if an election form is received by the appropriate transfer secretaries timeously in accordance with the salient dates and times mentioned in the circular but is not completed in accordance with the above instructions, will result in your receiving the cash dividend in accordance with your shareholding in the company on the record date. Should you have any queries as to the completion of the election form, please contact the appropriate transfer secretaries.

