

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used on this cover page.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor immediately.

Action required

If you have disposed of all your Indluplace shares, then this circular, together with the attached form of proxy, should be handed to the purchaser of such Indluplace shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised Indluplace shares through a CSDP or broker and who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

Indluplace shareholders are referred to page 4 of this circular, which sets out the detailed action required of them in respect of the acquisition set out in this circular.

Indluplace does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of dematerialised Indluplace shareholders to notify such shareholders of the general meeting or any business to be conducted thereat.



INDLUPLACE
DWELLING ON RESIDENTIAL

Indluplace Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06)
JSE share code: "ILU" ISIN: ZAE000201125
(Approved as a REIT by the JSE)
("Indluplace" or "the company")

CIRCULAR TO INDLUPLACE SHAREHOLDERS

relating to the proposed:

- **acquisition by Indluplace in effect to acquire, through a variety of transaction mechanisms, three residential property portfolios comprising approximately 2 800 residential units from multiple vendors, some of whom are members of or affiliated to the Buffet group;**
- **right of first refusal in favour of Indluplace in respect of a R500 million portfolio of residential properties**

and enclosing:

- **a notice of general meeting; and**
- **a form of proxy (for use by certificated Indluplace shareholders or dematerialised Indluplace shareholders who have elected "own name" registration only).**

Corporate advisor and sponsor

JAVACAPITAL

Legal advisor

CDH
CLIFFE DEKKER HOFFMEYR

Independent property valuers

REALINSIGHT
UNDERSTANDING REAL ESTATE

UNLOCKING VALUE

Independent reporting accountants

Grant Thornton
An instinct for growth

Date of issue: Tuesday, 29 August 2017

This circular is available in English only. Copies of this circular may be obtained from the registered office of Indluplace during normal office hours from Tuesday, 29 August 2017 to Wednesday, 27 September 2017. The circular will also be available on the website of the company (www.Indluplace.co.za) as from Tuesday, 29 August 2017.

CORPORATE INFORMATION

Registered address of the company

Indluplace Properties Limited
(Registration number 2013/226082/06)
2nd Floor, 18 Melrose Boulevard, Melrose Arch
Johannesburg, 2196
Rosebank
Johannesburg, 2196
(PO Box 685, Melrose Arch, Melrose, 2076)

Corporate advisor

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

Independent property valuer

Real Insight Proprietary Limited
(Registration number 2012/101775/07)
3rd Floor, North Wing
Hyde Park Corner
Hyde Park
Sandton, 2196
(PO Box 413581, Craighall, 2024)

Independent reporting accountants and auditors

Grant Thornton (Jhb) Incorporated
Chartered Accountants
(Registration number 1994/001166/21)
52 Corlett Drive
Wanderers Office Park
Illovo, 2196
(Private Bag X28, Benmore, 2010)

Place and date of incorporation

Incorporated in South Africa on 3 December 2013

Company secretary

Gillian Mary Preswich
CIS Company Secretaries Proprietary Limited
(Registration number 2006/024994/07)
Ground Floor
Rosebank Towers, 15 Biermann Avenue,
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

Sponsor

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

Legal advisor

Cliffe Dekker Hofmeyr Inc.
(Registration number 2008/018923/21)
11 Buitengracht Street
Cape Town, 8001
(PO Box 695, Cape Town, 8000)

Independent property valuer

Yield Enhancement Solutions Proprietary Limited
(Registration number 2009/016199/07)
91 Hamilton Avenue
Craighall Park, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

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IMPORTANT DATES AND TIMES FOR THE ACQUISITION

The definitions and interpretations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section.

2017

Record date to be entitled to receive this circular	Friday, 18 August
Circular posted to Indluplace shareholders on	Tuesday, 29 August
Announcement of posting of circular and notice of general meeting on SENS on	Tuesday, 29 August
Announcement of posting of circular and notice of general meeting in the press on	Wednesday, 30 August
Last day to trade in order to attend and vote at the general meeting	Tuesday, 19 September
Record date in order to be eligible to attend and vote at the general meeting	Friday, 22 September
Receipt of forms of proxy in respect of the general meeting of Indluplace shareholders by 10:00 on	Monday, 25 September
The general meeting to be held at 10:00 on	Wednesday, 27 September
Results of the general meeting and finalisation announcement released on SENS on	Wednesday, 27 September
Results of the general meeting and finalisation announcement published in the press on	Thursday, 28 September

Notes:

1. All dates and times in this circular are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and published in the press.
2. Indluplace shareholders are referred to page 4 of this circular for information on the action required to be taken by them.

ACTION REQUIRED BY INDLUPLACE SHAREHOLDERS

The definitions and interpretations commencing on page 5 of this circular have, where appropriate, been used in this section regarding the action required by shareholders.

Please take careful note of the following provisions regarding the action required by Indluplace shareholders. If you are in any doubt as to the action you should take, please consult your CSDP, broker, attorney, banker or professional advisor immediately.

1. IF YOU HAVE DEMATERIALISED YOUR INDLUPLACE SHARES AND DO NOT HAVE “OWN NAME” REGISTRATION

1.1 Voting at the general meeting

If your dematerialised Indluplace shares are not recorded in your own name in the electronic sub-register of Indluplace, you should notify your duly appointed CSDP or broker, as the case may be, in the manner and subject to the cut-off time stipulated in the custody agreement governing your relationship with your CSDP or broker, of your instructions as regards voting your Indluplace shares at the general meeting.

If you have not been contacted, it would be advisable for you to contact your CSDP or broker immediately and furnish your CSDP or broker with your instructions.

If your CSDP or broker does not obtain instructions from you, your CSDP or broker will be obliged to act in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

You must not complete the attached form of proxy.

1.2 Attendance and representation at the general meeting

In accordance with the mandate between you and your CSDP or broker, you must advise your CSDP or broker if you wish to:

- attend, speak and vote at the general meeting; or
- send a proxy to represent you at the general meeting.

Your CSDP or broker will then issue the necessary letter of representation to you to attend the general meeting. You will not be permitted to attend, speak or vote at the general meeting, nor send a proxy to represent you at the general meeting without the necessary letter of representation being issued to you and your CSDP or broker may then vote on your behalf at the general meeting in accordance with the mandate between you and your CSDP or broker.

2. IF YOU HAVE NOT DEMATERIALISED YOUR INDLUPLACE SHARES OR IF YOU HAVE DEMATERIALISED INDLUPLACE SHARES WITH “OWN NAME” REGISTRATION

2.1 Voting, attendance and representation at the general meeting

You may attend, speak and vote at the general meeting in person.

Alternatively, you may appoint a proxy to represent you at the general meeting by completing the attached form of proxy in accordance with the instructions contained therein and return it to the registered office of Indluplace or the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107). The relevant form of proxy may also be handed to the chairman of the general meeting before the general meeting is due to commence.

DEFINITIONS AND INTERPRETATIONS

Throughout this circular and the annexures hereto, unless otherwise stated, the words in the first column have the meanings assigned to them in the second column, words in the singular include the plural and *vice versa*, words importing natural persons include corporations and associations of persons and any reference to a gender includes the other gender and the neuter.

“ Arrowhead ”	Arrowhead Properties Limited (Registration number 2011/000308/06), a public company registered and incorporated in accordance with the laws of South Africa, the share capital of which is listed on the JSE;
“ board ” or “ directors ”	board of directors of Indluplace;
“ Buffet group ”	means Buffet Investment Services Proprietary Limited (Registration number 1973/004201/07), a limited liability private company registered and incorporated on 3 April 1973 in accordance with the laws of South Africa together with its subsidiaries, associates, partners and joint ventures;
“ Buffshelfco 7 property ”	the immovable property numbered 10 in the Schedule of Properties contained in Annexure 7 ;
“ Buffet Trustees ”	Buffet Trustees Proprietary Limited (Registration number 2002/017361/07), a limited liability private company registered and incorporated in accordance with the laws of South Africa, being the trustees to be appointed for the Buffet Bewind Trust which is in the process of being registered at the Master’s Office;
“ business day ”	any day, other than a Saturday, Sunday or gazetted public holiday in South Africa;
“ certificated Indluplace shareholders ”	holders of certificated Indluplace shares;
“ certificated Indluplace shares ”	Indluplace shares which have not been dematerialised, title to which is represented by a share certificate or other document of title;
“ circular ”	this bound document dated 29 August 2017, including the annexures, notice of general meeting and form of proxy, as applicable;
“ Companies Act ” or “ the Act ”	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
“ conditions precedent ”	outstanding conditions precedent to the transactions set out in paragraph 3.7 of this circular;
“ CSDP ”	Central Securities Depository Participant appointed by a shareholder for purposes of, and in regard to, dematerialisation and to hold and administer securities or interest in securities on behalf of a shareholder;
“ dematerialisation ” or “ dematerialised ”	process by which securities held in certificated form are converted to or held in electronic form as uncertificated securities and recorded in a sub-register of securities holders maintained by a CSDP after the documents of title have been validated and cancelled by the transfer secretaries and captured onto the Strate system by the selected CSDP or broker and the holding of securities is recorded electronically;
“ dematerialised Indluplace shares ”	Indluplace shares which have been through the dematerialisation process;
“ dematerialised Indluplace shareholders ”	holders of dematerialised Indluplace shares;
“ documents of title ”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Indluplace shares;
“ Financial Markets Act ”	Financial Markets Act, 2012 (Act No. 19 of 2012), as amended or replaced from time to time;

“Friedshelf 1781”	Friedshelf 1781 Proprietary Limited (Registration number 2017/146949/07) the name of which is in the process of being changed to Resico (Pty) Ltd, a limited liability private company registered and incorporated for this acquisition on 31 March 2017 in accordance with the laws of South Africa, a wholly-owned subsidiary of Indluplace;
“Fynbos Trust”	the trustees for the time being of the Fynbos Trust, a South African inter vivos ownership trust with Master’s reference number IT3918/1991 PMB;
“general meeting”	general meeting of Indluplace shareholders to be held at 10:00 on Wednesday, 27 September 2017 at 1 Sturdee Avenue, Rosebank, 2196 for the purpose of considering and if deemed fit, passing of the resolutions necessary to implement the transactions;
“Indluplace”	Indluplace Properties Limited (Registration number 2013/226082/06), a public company registered and incorporated in terms of the laws of South Africa and listed on the JSE;
“Indluplace group”	collectively, Indluplace, its subsidiaries, associates and joint ventures;
“Indluplace shares”	issued shares in the share capital of Indluplace, which are listed on the JSE;
“Indluplace shareholders” or “shareholders”	registered holders of Indluplace shares;
“independent property valuer”	Real Insight or Yield Enhancement Solutions as the context may indicate;
“independent reporting accountants” or “Grant Thornton”	Grant Thornton (Jhb) Incorporated (Registration number 1994/001166/21), a partnership formed in terms of the laws of South Africa, full details of which are set out in the “Corporate information” section;
“Java Capital”	collectively, Java Capital Proprietary Limited (Registration number 2012/089864/07), the corporate advisor and Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2008/005780/07), the sponsor, full details of which are set out in the “Corporate information” section;
“JSE”	Johannesburg Stock Exchange, being the exchange operated by the JSE Limited (Registration number 2005/022939/06), licensed as an exchange under the Financial Markets Act (Act 19 of 2012), and a public company registered and incorporated in terms of the laws of South Africa;
“last practical date”	last practical date prior to finalisation of this circular, being Friday, 18 August 2017;
“legal advisor” or “CDH”	Cliffe Dekker Hofmeyr Incorporated (Registration number 2008/018923/21), a limited liability private company registered and incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate information” section;
“Listings Requirements”	Listings Requirements of the JSE in force as at the last practical date;
“Listpropco 2”	Listpropco 2 Proprietary Limited (Registration number 2016/166417/07), a limited liability private company registered and incorporated in accordance with the laws of South Africa, forming part of the Buffet group;
“loan and subscription agreement”	the agreement entered into between the company and Buffet Trustees Proprietary Limited, as further detailed in paragraph 3.4.3;
“m²”	square metres;
“NAV”	net asset value;
“placements”	if applicable, one or more issues of shares for cash, by way of specific issues of shares for cash as contemplated in the Listings Requirements, of new Indluplace shares in such manner as the director may decide, including by way of one or more accelerated book-build offerings or institutional placements, in order to raise all or part of the cash consideration that is payable in terms of the transactions, or to refinance such cash to the extent that it may have been funded from other sources;
“placement and underwriting agreement”	an agreement entered into between the company and the relevant vendors as fully described in paragraph 3.3.8;

“Pomegranate Heights”	the immovable property numbered 11 in the Schedule of Properties to Annexure 7 ;
“Pomegranate Heights transaction”	the transaction pursuant to which Friedshelf 1781 will subscribe for shares in First Residential Project Proprietary Limited (Registration number 2012/051092/07) and acquire the balance of the shares not already owned by it from Convertible Dementia Proprietary Limited (Registration number 2009/000169/07);
“press”	Business Day newspaper;
“property portfolios”	collectively, the first portfolio, the second portfolio and the third portfolio;
“Real Insight”	Real Insight Proprietary Limited (Registration number 2012/101775/07), a limited liability private company registered and incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate information” section;
“record date”	last day and time for Indluplace shareholders to be recorded in the register in order to participate in the vote on the resolutions that are subject of this circular;
“register”	register of certificated shareholders maintained by Indluplace and the sub-register of dematerialised shareholders maintained by the relevant CSDPs;
“rentable area” or “GLA”	the gross lettable area of a property that can be rented to a tenant, measured in m ² ;
“resolution”	the resolution proposed in the notice of general meeting, attached to and forming part of this circular;
“right of first refusal agreement”	the agreement between the vendors under the first portfolio transactions and the third portfolio transactions, who are part of the Buffet group or its partners, in terms of which the company has been granted a right of first refusal in respect of certain further residential properties with an aggregate value of up to R500 million;
“SENS”	Stock Exchange News Service of the JSE;
“South Africa”	Republic of South Africa;
“specific issue”	the specific authority to issue ordinary shares for cash, to an entity associated with the Buffet group, as detailed in paragraph 3.5 of this circular;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company registered and incorporated in terms of the laws of South Africa, which is licensed to operate, in terms of the Financial Markets Act (Act 19 of 2012), as amended, and which is responsible for the electronic settlement system of the JSE;
“the first portfolio” or “portfolio 1”	comprises the properties numbered 1 to 11 in Annexure 7 (Valuation report 1, Schedule of Properties);
“the first portfolio transactions”	the acquisition of all the shares in the respective property holding companies being the beneficial owners of the first portfolio as further detailed in paragraph 3;
“the second portfolio” or “portfolio 2”	comprises the properties numbered 1 and 2 in Annexure 7 (Valuation report 2, Schedule of Properties);
“the second portfolio transactions”	the acquisition by the company of each property, in terms of separate agreements, in the second portfolio, as further detailed in paragraph 3;
“the third portfolio” or “portfolio 3”	comprises the tranche 1 and tranche 2 properties numbered 12 to 46 in Annexure 7 (Valuation report 1, Schedule of Properties);
“the third portfolio transactions”	the acquisition by the company of the third portfolio in terms of an asset-for-share transaction as further detailed in paragraph 3;
“the vendors”	the vendors of the first portfolio, the second portfolio and the third portfolio, individually detailed in Annexure 6 ;
“tranche 1”	comprises the properties numbered 12 to 36 in Annexure 7 (Valuation report 1, Schedule of Properties);

“tranche 2”	comprises the properties numbered 37 to 46 in Annexure 7 (Valuation report 1, Schedule of Properties);
“transaction agreements”	all of the agreements concluded between, <i>inter alia</i> , the vendors, the company and Friedshelf 1781 for purposes of giving effect to the transactions as detailed in Annexure 11 ;
“transactions”	collectively: <ul style="list-style-type: none"> – the first portfolio transactions; – the second portfolio transactions; – the third portfolio transactions; – the transaction to give effect to the right of first refusal agreement; – the transaction to give effect to the loan and subscription agreement – the transaction to give effect to the placement and underwriting agreement; and – all ancillary transactions detailed in this circular;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa, further details of which are set out in the “Corporate information” section;
“VAT”	value added tax, levied in terms of the Value Added Tax Act, 1991 (Act No. 89 of 1991), as amended or replaced from time to time; and
“Yield Enhancement Solutions”	Yield Enhancement Solutions Proprietary Limited (Registration number (2009/016199/07), a private company registered and incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate information” section.



INDLUPLACE
DWELLING ON RESIDENTIAL

Indluplace Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06)
JSE share code: "ILU" ISIN: ZAE000201125
("Indluplace" or "the company")

Directors of the company

Executive directors

Carel de Wit (*CEO*)

Terry Kaplan (*Financial director*)

Imraan Suleman

Mark Kaplan

Non-executive directors

Taffy Adler (*Chairman*)

Selwyn Noik

Independent non-executive directors

Gregory Kinross (*Lead independent director*)

Clifford Abrams

Ayesha Rehman

CIRCULAR TO INDLUPLACE SHAREHOLDERS

1. BACKGROUND

- 1.1 As set out in the announcement released on SENS on 20 June 2017, Indluplace concluded agreements with multiple vendors forming part of or affiliated to the Buffet group, to in effect acquire three residential property portfolios comprising 2 803 residential units, for an effective transaction consideration of approximately R1.4 billion.
- 1.2 The transactions, which are classified as a Category 1 acquisition in terms of the JSE Listings Requirements, requires shareholder approval.
- 1.3 The purpose of this circular is to provide Indluplace shareholders with information regarding the transactions and to convene a general meeting of Indluplace shareholders in order to consider and, if deemed appropriate, pass with or without modification, all of the resolutions necessary to implement the transactions.

2. OVERVIEW OF INDLUPLACE AND RATIONALE FOR THE TRANSACTIONS

- 2.1 Indluplace was incorporated as a public company on 3 December 2013 and listed as a Residential REIT on the Main Board of the JSE on 19 June 2015.
- 2.2 Indluplace's existing property portfolio comprises 125 residential properties which are situated across South Africa.
- 2.3 The transactions are in line with the company's strategy to grow its residential portfolio through acquiring yield enhancing properties and portfolios that provide income from the first day of acquisition. The proposed transactions will enhance the company's current portfolio with diverse, well located, quality properties and further establishes Indluplace as the residential income property consolidator in South Africa.

3. TERMS OF THE TRANSACTIONS

3.1 The first portfolio transactions

- 3.1.1 The properties comprising the “first portfolio” are all owned by the property owning companies whose shares are held by the relevant vendors described in **Annexure 9**.
- 3.1.2 Save for the agreements concluded for purposes of acquiring the Buffshelfco 7 property, further details of which are contained in paragraph 3.1.3 below, the relevant transaction agreements for purposes of acquiring the first portfolio comprise in each instance of:
- 3.1.2.1 subscription agreements pursuant to which Friedshelf 1781 will subscribe for shares in the capital of the respective property owning companies; and
- 3.1.2.2 share purchase agreements by means of which Friedshelf 1781 will acquire the remaining shares in the property owning companies not owned by it,
- 3.1.3 upon implementation of which, the property owning companies will be constituted as wholly-owned subsidiaries of Friedshelf 1781.
- 3.1.4 The Buffshelfco 7 property comprises of a residential as well as a retail component. The Buffshelfco 7 transaction comprises, in addition to a subscription agreement and a share purchase agreement, a loan agreement in terms of which Buffet Investment Services Proprietary Limited advances to Friedshelf 1781 a loan amount equal to the net equity value of Buffshelfco 7 Proprietary Limited, plus debt funding, plus shareholders’ loans minus the value of the residential element of the Buffshelfco 7 property (“**the loan amount**”), which loan will be utilised by Friedshelf 1781 to pay for a portion of the subscription consideration as detailed in clause 3.1.5 below. Subsequent to the acquisition by Friedshelf 1781 of the issued share capital of Buffshelfco 7, Listpropco 2 Proprietary Limited will acquire the retail portion¹ of the Buffshelfco 7 property as a going concern from Buffshelfco 7. The payment and settlement obligations under the loan agreement and the sale of rental enterprise agreement as aforesaid will be settled in terms of a discharge agreement concluded between the parties, resulting in an amount owing by Friedshelf 1781 to Buffshelfco 7 equal to the loan amount.
- 3.1.5 The subscription consideration is payable in cash. The company will subscribe for shares in Friedshelf 1781 to capitalise Friedshelf 1781 so that Friedshelf 1781 is able to pay such subscription consideration. The subscription consideration payable by Friedshelf 1781 in terms of the relevant transaction agreements is in each case an amount equal to the agreed value attributable to the property held by the first portfolio companies, as set out in paragraph 5 adjusted for working capital items.
- 3.1.6 The company may elect to fund such capitalisation in whole or in part by way of debt funding or a specifically approved share placement, a vendor consideration placing or other share placement.
- 3.1.7 An amount of R2 900 000 will be held in escrow as security for any claims arising out of or pursuant to the Pomegranate Heights transaction.
- 3.1.8 The first portfolio transactions will become commercially effective, and the subscription consideration will be payable on, the later of 1 July 2017 or the first day of the month following the month in which the last of the conditions precedent, referred to below in paragraph 3.7, has been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the relevant parties.
- 3.1.9 The value attributable to the first portfolio shall escalate at an annual rate of 5% from 1 July 2017 to the effective date. Assuming an effective date of 1 October 2017, the aggregate purchase consideration payable in respect of the first portfolio transactions is R417 240 457.
- 3.1.10 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 3.1.11 The first portfolio transactions and the third portfolio transactions (as described below) are linked and indivisible, and are subject to the fulfilment or waiver, as the case may be, of the relevant conditions precedent set out in paragraph 3.7.1.

¹ Comprising the retail section of the Buffshelfco 2 property measuring approximately 7 500m² on the ground floor, with art studios on the first and second floor, rooftop bar and art studio, as a going concern.

3.2 The second portfolio transactions

- 3.2.1 The properties comprising the “second portfolio” have been sold to the company by the relevant vendors described in **Annexure 6** in terms of separate divisible agreements.
- 3.2.2 The purchase consideration payable by the company in terms of each of the relevant transactions is set out in **Annexure 6**.
- 3.2.3 The purchase consideration is payable in cash. The company may elect to fund such consideration in whole or in part by way of debt, a specifically approved share placement, a vendor consideration placing or other share placement.
- 3.2.4 The second portfolio transactions will become commercially effective, and the purchase consideration will be payable on, the later of 1 July 2017 or the first day of the month following the month in which the last of the relevant conditions precedent referred to below has been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the Parties.
- 3.2.5 The value attributable to each property in the second portfolio, and therefore the relevant purchase consideration, shall escalate at an annual rate of 6% from 1 July 2017 to the effective date. Assuming an effective date of 1 October 2017, the aggregate purchase consideration payable in respect of the second portfolio transactions is R150 496 802.
- 3.2.6 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 3.2.7 The second portfolio transactions are all separate and several transactions, and are not linked to or conditional upon any of the other transactions or each other. The vendors of the second portfolio are associates of vendors of the portfolio 1 and portfolio 3, and therefore for JSE categorisation purposes the acquisitions of portfolio 1, portfolio 2 and portfolio 3 have been aggregated.

3.3 The third portfolio transactions

- 3.3.1 The properties comprising the “third portfolio” are in terms of the relevant transaction agreements acquired by the company from the relevant vendors described in **Annexure 6** in terms of asset-for-share transactions.
- 3.3.2 The consideration payable by the company in terms of each the relevant transaction agreements is set out in **Annexure 6**.
- 3.3.3 The consideration is in each case payable by way of the assumption of bank debt, with the balance being settled by the issue of shares in the company to the relevant vendors, such shares to be issued at a price per share equal to the price achieved in any placement that the company may have undertaken to fund all or part of the consideration payable in terms of the first portfolio transaction, and if there was no such placement, at a price equal to the higher of the closing price and the five-day volume weighted average traded price of Indluplace shares on the JSE on the day before the effective date (as defined below) in paragraph 3.3.4.
- 3.3.4 The third portfolio transactions will become commercially effective, and the consideration will be payable on, the later of 1 July 2017 or the first day of the month following the month in which the last of the relevant conditions precedent referred to below have been fulfilled or waived (as applicable), or such other date as may be agreed in writing between the parties to the third portfolio transactions.
- 3.3.5 If the effective date has not occurred by 1 July 2017, the value attributable to the third portfolio, and therefore the relevant consideration, shall escalate at an annual rate of 5% from 1 July 2017 to the effective date. Assuming an effective date of 1 October 2017, the aggregate purchase consideration payable in respect of the third portfolio transactions is R800 910 082.
- 3.3.6 Those properties comprising the third portfolio which are described as the “tranche 2” properties, have recently been developed and are still being tenanted. In the circumstances the following additional arrangements apply in relation to those properties:
 - 3.3.6.1 the initial consideration for the relevant property is as set out in **Annexure 6**
 - 3.3.6.2 the relevant vendors provide an income guarantee to the company, which will ensure that the net operating income derived from the relevant properties for the initial period of one year is not less than the currently forecast net operating income for the relevant property;

- 3.3.6.3 at the end of the initial period of one year (which period is subject to extension in certain circumstances), the actual net income derived from the relevant property for such initial period will be determined and the property will be revalued based on such actual net income and by applying a yield of 9.5%;
 - 3.3.6.4 such valuation may result in the payment of additional consideration for the relevant property to the relevant vendor or a price reduction amount payable by the relevant vendor, ultimately resulting in an acquisition yield of 9.5% on the actual normalised net operating income; and
 - 3.3.6.5 pending the determination of any upward or downward cash adjustment to the consideration, the company shall on the effective date advance to the relevant vendors an amount equal to the value of the property that would have applied had it been valued by applying an acquisition yield of 9.5% to the forecast net operating income for the initial period less the initial consideration.
- 3.3.7 The relevant transaction agreements provide for warranties and indemnities that are normal for a transaction of this nature.
- 3.3.8 In terms of a placement and underwriting agreement entered into with each of the relevant vendors, the company shall, if any of the relevant vendors elects before the effective date to dispose of its consideration shares, act as its placing agent on the basis that it shall ensure that its consideration shares are placed (whether by way of a bookbuild, treasury repurchases or otherwise) at a price not lower than the price at which they were issued less any distribution that may have been paid in respect of the consideration shares, failing which the company shall pay an additional amount to the vendor and/or procure that the consideration shares are purchased into treasury by a subsidiary of the company, in such amount/at such price as may be required to ensure that the relevant vendor realises an aggregate amount which is not less than the aggregate price at which all the consideration shares were issued less any distributions received in respect thereof. Any vendor consideration placement will comply with paragraph 5.56 of the Listings Requirements.
- 3.3.9 The third portfolio transactions and the first portfolio transactions are linked and indivisible, and are subject to the fulfilment or waiver, as the case may be, of the conditions precedent set out in paragraph 3.2.1.

3.4 Other arrangements

- 3.4.1 The Fynbos Trust, an entity affiliated with the Buffet group, has by way of a separate written guarantee guaranteed, *inter alia*, certain warranty, indemnity and delivery obligations of the vendors under the first portfolio transactions and the third portfolio transactions until the earlier of (i) the date upon which all of the vendors cease to be liable to the company and Friedshelf 1781 in terms of the transaction agreements; and (ii) the fifth anniversary of the effective date of the transaction agreements.
- 3.4.2 Each of the vendors under the first portfolio transactions and the third portfolio transactions who are members of the Buffet group or its partners have granted to the company a right of first refusal agreement in respect of certain further residential properties with an aggregate value of up to R500 million.
- 3.4.3 As a result the company and Buffet Trustees (being the trustee for the time being of the Buffet Bewind Trust) have entered into the loan and subscription agreement in terms whereof the company will issue to Buffet Trustees Indluplace shares to a value of between R240 million and R250 million as the parties acting in good faith may agree based upon the ultimate composition of the first and third portfolios, at an issue price of R10.73 per Indluplace share (“**the Buffet Shares**”), and will advance to such entity by way of a loan the funds required to subscribe for the Buffet shares. The loan is for a period of 10 years and carries interest in an amount equal to the distributions paid in respect of the Buffet shares. The Buffet shares serve as security for the loan and none of the Buffet shares may be sold before the third anniversary of the issue date, not more than 50% before the fourth anniversary of the issue date, not more than 75% before the fifth anniversary of the subscription date and no restriction shall apply from the fifth anniversary of the issue date. Any proceeds derived from the disposal of each of the Buffet shares equal to the original cost of such share must be used to repay the loan.
- 3.4.4 Where cash is required to settle part or all of the purchase considerations of the first portfolio, second portfolio and third portfolio, the company may undertake equity capital raises through the issue of new shares in order to raise the cash. Section 41(3) of the Companies Act requires the approval of Indluplace shareholders by special resolution if the company issues more than 30% of the issued share capital of the company as a result of any interrelated transactions. At this stage it is not known how many new shares would be issued in terms of any equity raise. However, this special resolution has been proposed in order to cover such an eventuality.

3.5 Details of the specific issue

- 3.5.1 In order to meet its obligations in terms of the loan and subscription agreement, it is the intention of the board to issue up to 22 440 285 shares in terms of the specific issue.
- 3.5.2 Shares issued under the specific issue will not be issued to any non-public shareholders, as defined in paragraphs 4.25 to 4.27 of the Listings Requirements.

3.6 Specific repurchase

- 3.6.1 As described in paragraph 3.3.8, in terms of a placement and underwriting agreement entered into with each of the relevant vendors, the company may undertake a specific repurchase of the shares issued to any vendor, in such amount/at such price as may be required to ensure that the relevant vendor realises an aggregate amount which is not less than the aggregate price at which all the consideration shares were issued less any distributions received in respect thereof.
- 3.6.2 If the specific repurchase is implemented, the only impact on the financial information of Indluplace will be that the repurchase will be funded out of cash and/or debt funding and will result in a decrease in issued share capital as result of the repurchase.
- 3.6.3 A resolution has been passed by the board of directors of the company in terms of section 46 of the Companies Act that having applied the solvency and liquidity test as set out in section 4 of the Companies Act (the “**solvency and liquidity test**”), it has satisfied itself that at the date of the resolution being passed (being 21 August 2017) that it reasonably appears, and it has thus reasonably concluded, that the company will satisfy the solvency and liquidity test, immediately after implementation of the repurchase.
- 3.6.4 In terms of paragraph 5.69(c) of the JSE Listings Requirements, the directors, having considered the effect of the repurchase, confirm that the provisions of section 4 and section 48 of the Companies Act have been complied with, and consider that there are reasonable grounds for believing that:
 - 3.6.4.1 the company and the group will be able, in the ordinary course of business, to pay their debts for a period of 12 months after the date of issue of this circular;
 - 3.6.4.2 the assets of the company and the group will be in excess of the liabilities of the company and the group for a period of 12 months after the date of issue of this circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited group financial statements;
 - 3.6.4.3 the ordinary capital and reserves of the company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular; and
 - 3.6.4.4 the working capital of the company and the group shall be adequate for ordinary business purposes for a period of 12 months after the date of issue of this circular.

3.7 Conditions precedent

- 3.7.1 The first portfolio transactions and the third portfolio transactions are subject to the fulfilment or waiver, as the case may be, of the following outstanding conditions precedent:
 - 3.7.1.1 by no later than five business days from the signature date, the company has furnished the relevant vendors with written notice that it is satisfied with its financial and tax due diligence investigation undertaken in respect of the relevant properties and/or companies, as applicable;
 - 3.7.1.2 by no later than five business days from the signature date, the vendors in respect of the first portfolio companies have delivered copies of the most recent audited accounts of the first portfolio companies to the company;
 - 3.7.1.3 by no later than 31 August 2017, all applicable debt and hedge providers have, to the extent required, provided such consents or approvals, in writing, as may be required in order for the first portfolio transactions and the third portfolio transactions to be implemented;
 - 3.7.1.4 by no later than 10 September 2017, the company and the first portfolio companies have obtained all requisite approvals from their directors, shareholders, the JSE, the Takeover Panel and any other regulatory authority in connection with the implementation of the first transactions and the third transactions, including resolutions adopted by the requisite

majority of the company's shareholders in accordance with the JSE Listings Requirements and the Companies Act, including a specific authority to effect any treasury repurchases pursuant to the placement and underwriting agreement, the specific issue of shares for in terms of the loan and subscription agreement, and approval required in terms of section 44 of the Companies Act to provide the loan in terms of the loan and subscription agreement;

3.7.1.5 by no later than 29 September 2017, the first transactions and the third transactions have been approved by the applicable Competition Authorities; and

3.7.1.6 by no later than 29 September 2017, each of the agreements relating to first transactions and the third transactions has become unconditional in accordance with its terms, save for any condition therein requiring any other such agreement to become unconditional.

3.7.2 The second portfolio transactions are subject to the fulfilment or waiver, as the case may be, of the following outstanding conditions precedent:

3.7.2.1 within 60 business days of the signature date, the company has obtained all requisite approvals (to the extent necessary) from the Competition Commission, its shareholders and any other regulatory authority in connection with the implementation of the second transactions; and

3.7.2.2 within 10 business days of receiving the approvals referred in the paragraph immediately above, the applicable vendors confirming that no third party has any options, pre-emptive rights or similar rights over the subject of the second transactions.

4. **OPINION AND RECOMMENDATION OF THE BOARD OF INDLUPLACE**

4.1 The board of Indluplace, after evaluating the rationale for and the terms and conditions of the transactions, is of the opinion that the transactions, the special authority required to effect any repurchases pursuant to the placement and underwriting agreement, the specific issue of shares in terms of the loan and subscription agreement, and the approval required in terms of section 44 of the Companies Act to provide the loan in terms of the loan and subscription agreement, are all beneficial to Indluplace shareholders and recommends that Indluplace shareholders vote in favour of the resolutions necessary to implement all of the above.

4.2 The directors who hold Indluplace shares intend voting their shares in favour of all resolutions proposed at the general meeting.

5. **FORECAST STATEMENTS OF COMPREHENSIVE INCOME**

5.1 The forecasts set out in **Annexure 1** of this circular ("**forecasts**") have been prepared for the year ending 30 September 2018 and the year ending 30 September 2019. The forecasts have been prepared on the assumption that the acquisition will be implemented on 1 October 2017 and on the basis that the forecasts include forecast results for the duration of the forecast period.

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

5.3 The forecasts have been prepared in accordance with Indluplace's accounting policies and in compliance with IFRS.

5.4 The forecasts must be read in conjunction with the independent reporting accountants' limited assurance report thereon as contained in **Annexure 1** of this circular.

6. **PRO FORMA STATEMENT OF FINANCIAL POSITION**

6.1 The *pro forma* statement of financial position of Indluplace, after the transactions is set out in **Annexure 3** of this circular.

6.2 The *pro forma* statement of financial position of Indluplace, including the assumptions on which it is based and the financial information from which it has been prepared, are the responsibility of the board of Indluplace.

6.3 The independent reporting accountants' limited assurance report on the *pro forma* statement of financial position of Indluplace is set out in **Annexure 2** of this circular.

6.4 The independent reporting accountants' review report on the value and existence of the assets and liabilities acquired by Indluplace is set out in **Annexure 5** of this circular.

7. THE PROPERTY PORTFOLIO AND DESCRIPTION OF VENDORS

The details of the property portfolio and vendors are set out in **Annexure 6** and **Annexure 7** respectively.

7.1 Analysis of the property portfolio

An analysis of the combined first portfolio, the second portfolio and the third portfolio as at the last practical date in respect of geographic, sectoral and tenant spread as well as the vacancy and lease expiry profile is provided in the charts and tables below.

7.1.1 *Geographical profile*

Of the 2 803 residential units, 2 684 residential units (96%) are situated in Gauteng and 119 residential units (4%) are situated in KwaZulu-Natal.

The geographic profile by gross revenue is as follows:

Province	GR % of total
Gauteng	96
KwaZulu-Natal	4
Total	100

7.1.2 *Sectoral profile*

The property portfolio 2 803 residential units and a retail GLA of 2 970m²:

Sector	GR % of total
Residential	98
Retail	2
Total	100

7.1.3 *Residential profile*

Unit type	Average rental (m²)	Number of units	Percentage of units (%)
Rooms	3 513	181	6.5
Bachelor	3 790	92	3.3
One bedroom	4 184	787	28.1
Two bedroom	5 442	1 469	52.4
Three bedroom	9 521	214	7.6
Four bedroom	8 318	60	2.1
Total	5 280	2 803	100.0

The average annualised property yield for the 12 months ending 30 June 2018 is 10.1%.

7.1.4 *Tenant profile for residential portfolio*

Residential portfolio

The tenant profile of the property portfolio, based on the categories per unit, is as follows:

7.1.4.1 92.5% individual tenants and individual students, and 7.5% let to students under a headlease to North West University and Vaal University of Technology.

7.1.5 *Lease expiry profile*

Residential – normal

Approximately 92.5% of the residential units are let to individuals, generally on a month to month basis with 7.5% being let to students under a headlease to two universities.

The tables below sets out the lease expiry profile by the total number of residential units and by unit type respectively.

Residential – normal lease expiry	Unit % of total	GR % of total
Vacant	4.7	3.7
Monthly	87.1	80.2
30 September 2017	–	–
30 September 2018	–	–
30 September 2019	7.5	15.1
After 30 September 2019	0.7	1.0
Total	100.0	100.0

Residential – normal lease expiry by unit	Rooms	Bachelor	One bedroom	Two bedroom	Three bedroom	Other
Vacant	3	7	41	67	5	8
Monthly	178	85	746	1 279	100	52
30 September 2017	–	–	–	–	–	–
30 September 2018	–	–	–	–	–	–
30 September 2019	–	–	–	102	109	–
After 30 September 2019	–	–	–	21	–	–
Total	181	92	787	1 469	214	60

Residential – normal lease expiry by unit – % of total	Rooms	Bachelor	One bedroom	Two bedroom	Three bedroom	Other
Vacant	0.1	0.2	1.5	2.4	0.2	0.3
Monthly	6.4	3.0	26.6	45.5	3.5	1.9
30 September 2017	–	–	–	–	–	–
30 September 2018	–	–	–	–	–	–
30 September 2019	–	–	–	3.6	3.9	–
After 30 September 2019	–	–	–	–	–	–
Total	6.5	3.2	28.1	52.3	7.7	2.2

Notwithstanding, tenants having signed a 12-month lease, these leases are included in the monthly expiry in the above tables.

7.1.6 *Vacancy profile*

The vacancy profile of the property portfolio by number of residential units as at 30 June 2017 (excluding properties under development) is set out below.

Unit type	Number of vacant units	% of total
Rooms	3	1.7
Bachelor	7	7.6
One bedroom	41	5.2
Two bedroom	67	4.6
Three bedroom	5	2.3
Other	8	13.3
Total	131	4.7

8. VALUATION REPORTS

- 8.1 The first and third property portfolios were valued by Real Insight and the second portfolio by Yield Enhancement Solutions, who are independent external registered professional valuers in terms of the Property Valuers Profession Act, No. 47 of 2000.
- 8.2 Detailed valuation reports have been prepared in respect of each of the properties in the property portfolio and are available for inspection in terms of paragraph 26 below. A summary valuation report in respect of the Indluplace portfolio has been included in **Annexure 7**.

9. VENDORS OF ASSETS

- 9.1 Details relating to the property portfolios purchased by the group in the three years preceding the last practicable date or proposed to be purchased are set out in **Annexure 8**.
- 9.2 The vendors of the property portfolios have not guaranteed the book debts in terms of the transaction agreements, save where the book debts have been taken into account as assets in determining the applicable consideration paid. The transactions agreements contain warranties which are usual for transactions of this nature.
- 9.3 The transaction agreements do not preclude the vendors of the property portfolios from carrying on business in competition with the company nor do the transaction agreements impose any other restrictions on the vendors of the property portfolios and therefore no payment in cash or otherwise has been made in this regard.
- 9.4 There are no liabilities for accrued taxation that will be settled in terms of the transaction agreements.
- 9.5 Save as disclosed in respect of the acquisitions set out in paragraph 3.1, Indluplace has not purchased any securities in any company in respect of the transactions.
- 9.6 No promoter or director (or any partnership, syndicate or other association in which a promoter or director had an interest) had any beneficial interest, direct or indirect in any transaction relating to any of the assets detailed in **Annexure 6**.
- 9.7 No cash or securities have been paid or any benefit given since the date of incorporation of the company to the date of this prospectus or is proposed to be paid or given to any promoter (not being a director).
- 9.8 As at the last practicable date the property portfolios have not been transferred into the name of the group. The assets referred to in **Annexure 6** are pledged as security to third party debt providers and once the transactions are implemented the properties referred to in **Annexure 6** will be pledged as security to new third party debt providers as is ordinary for transactions of this nature.

10. GENERAL MEETING

- 10.1 A general meeting of Indluplace shareholders will be held at 1 Sturdee Avenue, Rosebank, 2196 at 10:00 on Wednesday, 27 September 2017 to consider and, if deemed fit, pass, with or without modification, the resolutions necessary to implement the proposed transactions.
- 10.2 Details of the action required by Indluplace shareholders are set out on page 4 of this circular and in the notice of general meeting attached.

11. HISTORY AND NATURE OF BUSINESS

- 11.1 Indluplace was incorporated as a public company on 3 December 2013 and successfully listed in Residential REIT's sector on the Main Board on the JSE on 19 June 2015.
- 11.2 Indluplace is focused on owning a substantial residential portfolio from which it will pay growing distributions to its shareholders.

12. GROWTH STRATEGY

- 12.1 The company will continue to grow its portfolio aggressively through acquiring yield enhancing properties and portfolios that provide income from the first day of acquisition. Investments in rental residential properties nationally will focus on affordable housing where a proven demand exists, generally in larger urban centres close to work opportunities and transport infrastructure. Other residential forms such as student housing or higher income housing will be evaluated on a case by case basis.
- 12.2 The company utilises specialist outsourced property managers for appropriate portfolios.

13. PROSPECTS

In the opinion of the directors, rental housing is seen as a major contributor to overcoming South Africa's housing shortage especially for those who do not qualify either for a government subsidy or a bank loan to acquire their own property. By purchasing existing or recently developed residential stock, Indluplace is facilitating the release of capital to developers or portfolio owners who may recycle these funds into new stock. The implementation of the transactions will see Indluplace acquiring a right of first refusal in respect of an acquisition pipeline of approximately R500 000 000.

14. DIRECTORS' EMOLUMENTS

- 14.1 Save for the fees detailed in paragraph 14.2 below, the emoluments of the directors for the year ended 30 September 2017, on an annualised basis, as set out in the company's 2016 annual report, are unchanged. The emoluments of directors will be unchanged by the implementation of the transactions.
- 14.2 The 2017 annual salaries of Carel de Wit and Terry Kaplan are R1 774 440 and R1 590 000 respectively. The bonus portion of their salaries will be determined after the 2017 financial year-end.
- 14.3 Save as set out in paragraph 14.1, the directors of the company did not receive any emoluments in the form of:
- 14.3.1 fees for services as a director;
 - 14.3.2 management, consulting, technical or other fees paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a director of the company;
 - 14.3.3 basic salaries;
 - 14.3.4 bonuses and performance-related payments;
 - 14.3.5 sums paid by way of expense allowance;
 - 14.3.6 any other material benefits received;
 - 14.3.7 contributions paid under any pension scheme; or
 - 14.3.8 any commission, gain or profit-sharing arrangements.
- 14.4 No share options or any other right has been given to a director of the company in respect of providing a right to subscribe for shares in the company.
- 14.5 Other than as disclosed below, no shares have been issued and allotted in terms of the Indluplace share purchase and option scheme.

Name	Grant date	Vesting date	Issue price (R)	Number of shares
Carel de Wit	June 2015	June 2015	*10.00	1 757 936
	November 2016	November 2016	9.30	900 000
Terry Kaplan	November 2016	November 2016	9.30	810 860
Mark Kaplan	June 2015	June 2015	*10.00	5 273 809
Imraan Suleman	June 2015	June 2015	*10.00	5 273 809

** Being the issue price at which such shares listed on the JSE on 19 June 2015.*

- 14.6 The directors did not receive any remuneration or benefit in any form from any subsidiary, joint venture or other third party management or advisory company.
- 14.7 The company has entered into service contracts with C de Wit, who is contracted until 1 June 2020, and T Kaplan, who is contracted until 1 March 2019.
- 14.8 M Kaplan and I Suleman have service contracts with Arrowhead and do not receive remuneration directly from Indluplace.

15. DIRECTORS' INTERESTS

15.1 Directors' interests in Indluplace shares

15.1.1 Set out below are the interests of directors in the company as at the year ended 30 September 2016. Direct and indirect beneficial interests are disclosed. In addition interests of associates of directors, where the director has no beneficial interest are separately disclosed (this relates principally to the holdings of spouses and minor children).

Directors	Beneficially held			Total	%
	Directly	Indirectly*	Associates		
Carel de Wit	–	1 757 936	–	1 757 936	0.73
Mark Kaplan	–	5 273 809	–	5 273 809	2.20
Imraan Suleman	–	5 273 809	–	5 273 809	2.20
Selwyn Noik	40 000	2 000	–	–	0.01
Total	40 000	12 305 554	–	12 345 554	5.14

* Reflects shares held by a director via a trust or company.

15.1.2 There have been no changes to the directors' interests in Indluplace shares between the end of the preceding financial year being, 30 September 2016, and the date of this circular, save for the allotment and issue of 900 000 Indluplace shares to Carel de Wit and 810 860 shares to Terry Kaplan in terms of the Indluplace share purchase and option scheme.

15.1.3 The director's interests in Indluplace shares disclosed in paragraph 15.1.1 above are not expected to change post the implementation of the acquisition.

15.2 Directors' interests in transactions

Other than the directors' interests in transactions as set out in **Annexure 8** and the directors' interests in Indluplace shares as set out in paragraph 15.1 above, none of the directors of the company has or had any material beneficial interest, direct or indirect, in transactions, that were effected by the group during the current or immediately preceding financial year or during any earlier financial year and which remain in any respect outstanding or unperformed.

16. MAJOR AND CONTROLLING SHAREHOLDERS

16.1 Set out below are the names of shareholders, other than directors that are directly or indirectly, beneficially interested in 5% or more of the issued shares of Indluplace as at the last practical date. Where these are associates of directors of the company, this has been indicated.

Name of shareholder	Number of shares	% of shares in issue
Arrowhead Properties Limited	193 580 762	66.93
Visio Capital Management Proprietary Limited on behalf of its clients	35 748 236	12.36
Total	229 431 398	79.29

16.2 The beneficial shareholders, other than directors, referred to in paragraph 16.1 above are not expected to change post the implementation of the acquisition.

16.3 As at the last practical date Arrowhead Properties is the controlling shareholder and following the implementation of the transactions, it is anticipated that Arrowhead Properties will remain as Indluplace's controlling shareholder.

17. RELATIONSHIP INFORMATION

17.1 Other than the directors' interests in Indluplace shares as set out in paragraph 15.1 above neither the directors of Indluplace, nor the directors of its subsidiaries, had any beneficial interests, direct or indirect, in relation to the Indluplace portfolio acquired by the Indluplace group nor are they contracted to become a tenant of any part of the Indluplace portfolio.

- 17.2 There is no relationship between any parties mentioned in paragraph 17.1 above of this circular and another person that may conflict with a duty to the Indluplace group.
- 17.3 Other than as disclosed in paragraph 9 above, the vendors did not have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Indluplace in order to finance the acquisition of any properties in the Indluplace portfolio.
- 17.4 The directors of the company have not had a material beneficial interest in the acquisition or disposal of any properties of the Indluplace portfolio during the two years preceding the date of the valuation of such properties.

18. MATERIAL BORROWINGS

- 18.1 The table below sets out the material borrowings advanced to the group as at the last practical date:

	R'000
Loan from The Standard Bank of South Africa Limited	158 000
The R200 million loan facility is secured by mortgage bonds over investment property valued at R696.9 million. R150 million bears interest at a fixed rate of 10.11% which expires on 1 September 2019. The balance of the facility bears interest at prime less 1.3%.	
Loans to participants of the Indluplace share purchase and option scheme	191 705
Loans advanced to participants of the Indluplace share purchase and option scheme for purposes of subscribing for shares in the company. The outstanding balance due on any share debt shall, while the balance due remains unpaid bear interest from time to time at a variable rate such that the amount of interest payable in respect of the specific purchase scheme share debt shall be equal to the amount of the distributions payable by the company on the corresponding purchase scheme shares at each payment date. The loans are repayable at any time but no later than 10 years from the granting of the loan.	
Loans to subsidiaries	500 671
The loans were made to subsidiary companies for purposes of funding acquisition of assets. The loans are unsecured and have no fixed terms of repayment. The loans approximate fair value as the entities have ceded their net income to the holding company. The ceding of the net income of the subsidiaries to the holding company effectively includes an implied charge for interest payable on the loans which would be payable in the absence of the cession agreements.	
Total	842 376

- 18.2 Save as stated in the table above:

- 18.2.1 There have been no material borrowings advanced to the group as at the last practical date.
- 18.2.2 The company has no loan capital outstanding.
- 18.2.3 As at the last practicable date, save as set out herein the group has not entered into any other material inter-company financial or other transactions.
- 18.2.4 As at the last practical date, the group has not undertaken any off-balance sheet financing.

19. MATERIAL CONTRACTS

- 19.1 The only material contracts, which have been entered into by Indluplace during the two years preceding the last practical date, other than in the ordinary course of business, are the loan agreements, the salient details of which are set out in paragraph 18 above.
- 19.2 Save for those contracts listed above, the Indluplace group has not entered into any other material contract, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of business carried on, or proposed to be carried on by Indluplace, within the two years prior to the date of this circular or at any time containing an obligation or settlement that is material to Indluplace at the date of this circular.

20. MATERIAL CHANGES

20.1 Indluplace has acquired the entire issued share capital of Diluculo Properties Limited and entered into the transaction agreements. Other than as aforesaid:

20.1.1 there have been no material changes in the financial or trading position of the Indluplace group since publication of its results for the year ended 30 September 2016;

20.1.2 there has been no change in the business or trading objects of Indluplace since incorporation; and

20.1.3 there have been no material changes in the financial or trading position of the Indluplace group since publication of its results for the year ended 30 September 2016.

21. ADEQUACY OF CAPITAL

The directors have considered the effects of the transactions and are of the opinion that the working capital available to the Indluplace group is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of this circular.

22. LITIGATION STATEMENT

The board of directors of Indluplace are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the Indluplace group's financial position.

23. CONSENTS

23.1 Each of the corporate advisor and sponsor, independent reporting accountants, independent property valuers, transfer secretaries, legal advisor and company secretary 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.

23.2 The independent reporting accountants and the independent property valuer have consented to the inclusion of their reports in the form and context in which they appear in this circular, which consents have not been withdrawn prior to the publication of this circular.

24. PRELIMINARY EXPENSES AND ISSUE EXPENSES

The expenses (excluding VAT) by the issuer relating to the proposed transactions which have been incurred or that are expected to be incurred are presented in the table below.

Expense	Recipient	R
Corporate advisory fees	Java Capital	5 000 000
Bookrunner fee*	Java Capital	2 056 500
Valuation fees	Real Insight and Yield Enhancement Solutions	834 000
Independent reporting accountants' fees	Grant Thornton	1 300 000
Legal fees	CDH	1 200 000
JSE documentation inspection fees	JSE	98 000
JSE listing fees	JSE	225 356
Press announcements, printing and marketing	Various	100 000
Contingency costs		100 000
Total		10 863 856

* Assuming that R411.3 million of equity capital is raised via a private placement.

25. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Indluplace, collectively and individually accept full responsibility for the accuracy of the information given, certify that to the best of their knowledge and belief there are no facts the omission of which would make any statement false or misleading, certify that they have made all reasonable enquiries to ascertain such facts; and certify that this circular contains all information required by law and the Listings Requirements.

26. DETAILS OF DIRECTORS

As at the last practicable date, the full names, business address and function of the directors and directors of major subsidiaries are still in accordance with the company's 2016 Annual Report.

27. CONFLICTS OF INTEREST

Java Capital is acting in the capacity of corporate advisor and sponsor to Indluplace. As required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that may arise as a result of Java Capital acting in these roles, Java Capital has in place appropriate checks and balances, including procedures to assess the independence of Java Capital in respect of the transaction and divisions of responsibility amongst the persons involved in fulfilling these various functions.

28. DOCUMENTS AND CONSENTS TO BE AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at any time during normal business hours on business days from Tuesday, 29 August 2017 until Wednesday, 27 September 2017 at the registered office of Indluplace:

- 28.1 the MOI of Indluplace and its subsidiaries;
- 28.2 the transaction agreements;
- 28.3 a signed copy of this circular;
- 28.4 the material contracts referred to in paragraph 18 and **Annexure 9**;
- 28.5 the independent valuers' summary report, a copy of which is set out in **Annexure 7** and detailed valuation report;
- 28.6 the independent reporting accountants' report, copies of which is set out in **Annexure 2, Annexure 4 and Annexure 7**;
- 28.7 the letters of consent referred to in paragraph 23 above;
- 28.8 service agreements with Carel de Wit and Terry Kaplan;
- 28.9 the audited statements of financial position included in **Annexure 3**; and
- 28.10 the audited financial statements of the Indluplace group for the year ended 30 September 2016, unaudited consolidated interim results for the six months ended 31 March 2017, the audited financial statements of the Indluplace group for the period ended 30 September 2015 and the audited financial statements of the Indluplace group for the period ended 30 September 2014.

Signed in Johannesburg by Terry Kaplan on his behalf and on behalf of all the directors of the company on Monday, 28 August 2017 in terms of powers of attorney granted by them.

Terry Kaplan
Financial director

FORECAST STATEMENT OF COMPREHENSIVE INCOME

Set out below are the profit forecasts for the property portfolios (“**forecasts**”) for the year ending 30 September 2018 and the year ending 30 September 2019 (“**forecast periods**”).

The forecasts, including the assumptions on which they are based and the financial information from which they are prepared, are the responsibility of the directors. The forecasts must be read in conjunction with the independent reporting accountants’ assurance report which is presented in **Annexure 2**.

The forecasts have been prepared on the assumption that transactions become effective from 1 October 2017 and on the basis that the forecasts include forecast results for the duration of the forecast period. The forecasts have been prepared in compliance with IFRS and in accordance with Indluplace’s accounting policies.

Rand	Forecast for the year ending 30 September 2018	Forecast for the year ending 30 September 2019
Contractual rental income	188 250 807	198 354 435
Recoveries	14 571 496	15 488 828
Straight-line rental income accrual	–	–
Total revenue	202 822 303	213 843 264
Operating costs	(65 142 603)	(68 488 208)
Share-based payment expense	(17 856 893)	–
Administration costs	–	–
Net operating profit	119 882 806	145 355 055
Changes in fair values	–	–
Profit from operations	119 882 806	145 355 055
Net finance income/(charges)	(79 655 275)	(79 655 275)
Finance charges	(79 655 275)	(79 655 275)
Finance income	–	–
Profit before taxation	40 167 531	65 699 780
Taxation	–	–
Total comprehensive income for the year	40 167 531	65 699 780
Reconciliation between earnings, headline earnings and distributable earnings		
Earnings (net profit)	40 167 531	65 699 780
<i>Adjusted for:</i>		
Share-based payment expense	17 856 893	–
Change in fair value of investment properties	–	–
Headline earnings	58 024 424	65 699 780
<i>Adjusted for:</i>		
Straight-line rental income accrual	–	–
Amounts available for distribution to shareholders	58 024 424	65 699 780
Basic and diluted earnings per share (cents)	11.65	19.05
Headline and diluted headline earnings per share (cents)	16.83	19.05
Distributable earnings per share (cents)	16.83	19.05
Total shares in issue at period-end	367 276 364	367 276 364
Weighted average number of shares used for the calculation of earnings, diluted earnings, headline earnings and diluted headline earnings per share	344 836 079	344 836 079
Weighted average number of shares used for the calculation of distributable earnings per share	344 836 079	344 836 079

Material assumptions underlying the forecasts

The forecasts incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the directors:

1. The forecasts are based on information derived from the property managers, historical information and worked performed by the independent property valuer in respect of the property portfolios.
2. The company will not acquire or dispose of any properties during the forecast period, other than acquisitions contemplated as part of the transaction.
3. Property operating expenditure has been forecast on a line-by-line basis for each property based on management's review of historic expenditure, discussions with the property manager and work performed by the independent property valuer.
4. No fair value adjustments to investment properties have been provided for.
5. All existing lease agreements are valid. Material items of expenditure within the operating costs line item include the following:
 - 5.1 Levies, in the amount of R9.0 million and R9.3 million in respect of the years ending 30 September 2018 and 30 September 2019, respectively;
 - 5.2 Electricity, in the amount of R9.9 million and R10.6 million in respect of the years ending 30 September 2018 and 30 September 2019, respectively;
 - 5.3 Water, in the amount of R6.0 million and R6.4 million in respect of the years ending 30 September 2018 and 30 September 2019, respectively; and
 - 5.4 Rates, in the amount of R5.5 million and R5.8 million in respect of the years ending 30 September 2018 and 30 September 2019, respectively.

Of the forecast material expenses, water, electricity and assessment rates are forecast to increase by more than 15% from historic as a result of a number of factors, including, *inter alia*, historic costs not being indicative of forecast expected costs due to certain properties and units being under development and refurbishment and certain expenses on a per property basis not being incurred for a full 12 months.

6. Finance costs are calculated using an effective interest rate of 9.7% for the forecast periods.
7. The company's rental revenue is typically short-term in nature, being for a period of 12 months, and consists of the following categories of rental revenue:
 - 7.1 Contracted rental revenue is recognised for the duration of the company's legally binding lease agreements. Once the lease agreements expire, they revert to month-to-month rental agreements that continue until such time as the rental agreements are terminated on one-month notice by either the tenant or the company. The Consumer Protection Act (Act No. 68 of 2008), provides that residential tenants may give 20 business days' notice irrespective of a long-term lease. Contracted rental revenue includes revenue from rental and yield guarantees to the value of R22 965 523 for the year ended 30 September 2018 and R291 522 for the year ended 31 September 2019 for the period of the guarantee. Due to the short-term nature of the residential leases relating to the property portfolios there is no resultant straight-line rental accrual.
 - 7.2 Uncontracted revenue comprises forecast revenue from tenants with monthly leases and leases expiring during the forecast periods for which new leases are in the process of being entered into. New leases have been taken into consideration at current market rates. Total forecast revenue includes the assumption of a vacancy factor. The vacancy factor has been determined on a property-by-property basis, taking into account the experience of the executive management team and all available historic data for each property.
8. For purposes of the specific issue, it has been assumed that 22 440 285 shares will be issued at R10.73 per share in terms of the right of first refusal agreement. The specific issue has been deemed an option and accounted for in terms of IFRS 2, Share-based Payments, with the assumed share-based payment expense being recognised and the share-based payment reserve recognised in equity. The Black Scholes option valuation methodology has been used to value the option.
9. The total number of shares in issue differs to the weighted average number of shares used in the determination of earnings, diluted earnings, headline earnings and diluted headline earnings per share, as the shares issued by Indluplace in terms of the specific issue in order to meet its obligations in terms of the right of first refusal agreement, are excluded in the weighted average number of shares in issue in terms of IFRS. No dilutionary effect has been included in the forecast in respect of the specific issue as this impact is linked directly to the future traded share price of Indluplace.

10. An analysis of revenue is set out below:

	Forecast for the year ending 30 September 2018 (%)	Forecast for the year ending 30 September 2019 (%)
Contracted/uncontracted revenue split by rental income:		
Contracted rental revenue	44.6	6.5
Near-contracted revenue	–	–
Uncontracted rental revenue	55.4	93.5
	100.0	100.0
Short-term rental revenue (included in contracted rental revenue)	59.0	22.0

11. The forecasts incorporate the following material assumptions in respect of revenue and expenses that cannot be influenced by the directors:

11.1 There will be no unforeseen economic factors that will effect the lessee's ability to meet their commitments in terms of existing lease agreements.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENT OF COMPREHENSIVE INCOME OF INDLUPLACE

The Board of Directors
Indluplace Properties Limited

2nd Floor

18 Melrose Boulevard

Melrose Arch

Johannesburg

2196

23 August 2017

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF INDLUPLACE PROPERTIES LIMITED ("INDLUPLACE")

Report on the identified property forecast information

We have undertaken a reasonable assurance engagement in respect of the accompanying property forecast of Indluplace for the years ending 30 September 2018 and 30 September 2019 set out in **Annexure 1** and paragraphs 7.1.5 and 7.1.6 of the Indluplace circular to be issued on or about 29 August 2017 ("**the Circular**"), comprising the forecast statement of profit or loss and other comprehensive income and the vacancy and lease expiry profile of the property portfolio as a whole during the forecast periods ("**the forecast information**"), as required by paragraph 13.15 of the JSE Limited ("**JSE**") Listings Requirements.

We have also undertaken a limited assurance engagement in respect of the directors' assumptions used to prepare and present the forecast information, disclosed in **Annexure 1** of the Circular to the forecast information, as required by paragraph 13.15 of the JSE Listings Requirements.

Directors' responsibility for the forecast information and for the assumptions used to prepare the forecast information

The directors are responsible for the preparation and presentation of the forecast information and for the reasonableness of the assumptions used to prepare the forecast information as set out in the notes to **Annexure 1** of the Circular to the forecast information in accordance with paragraphs 13.12 – 13.14 of the JSE Listings Requirements (JSE Listings Requirements for forecast information). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the forecast information on the basis of those assumptions that is free from material misstatement, whether due to fraud or error.

Inherent limitations

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Consequently, readers are cautioned that this forecast may not be appropriate for purposes other than described in the purpose of the report paragraph below.

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Part A and B).

The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Limited assurance engagement on the reasonableness of the directors' assumptions

Reporting accountant's responsibility

Our responsibility is to express a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information in accordance with the JSE Listings Requirements for forecast information, based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, *The Examination of Prospective Financial Information* (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain limited assurance about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the source and reliability of the evidence supporting the directors' assumptions. Sufficient appropriate evidence supporting such assumptions would be obtained from internal and external sources including consideration of the assumptions in the light of historical information and an evaluation of whether they are based on plans that are within the entity's capacity. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgement and included inquiries, observations of processes performed, inspection of documents, analytical procedures, evaluating the reasonableness of best-estimate assumptions and agreeing or reconciling with underlying records.

Our procedures included evaluating the directors' best-estimate assumptions on which the forecast information is based for reasonableness.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether the directors' assumptions provide a reasonable basis for the preparation and presentation of the forecast information.

Limited assurance conclusion on the reasonableness of the directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the directors' assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information for the years ending 30 September 2018 and 30 September 2019.

Reasonable assurance engagement on the forecast information

Reporting accountants' responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in the notes to the forecast information (the assumptions) and in accordance with the JSE Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, *The Examination of Prospective Financial Information* (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in the notes to the forecast information and in accordance with the JSE Listings Requirements for forecast information.

A reasonable assurance engagement in accordance with ISAE 3400 involves performing procedures to obtain evidence that the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Listings Requirements for forecast information. The nature, timing and extent of procedures selected depend on the reporting accountants' judgement, including the assessment of the risks of material misstatement, whether due to fraud or error, of the forecast information. In making those risk assessments, we considered internal control relevant to Indluplace's preparation and presentation of the forecast information.

Our procedures included:

- inspecting whether the forecast information is properly prepared on the basis of the assumptions;
- inspecting whether the forecast information is properly presented and all material assumptions are adequately disclosed, including a clear indication as to whether they are best-estimate assumptions; and
- inspecting whether the forecast statement of profit or loss and other comprehensive income is prepared on a consistent basis with the historical financial statements, using appropriate accounting policies.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion on the forecast information

In our opinion, the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Listings Requirements for forecast information for the years ending 30 September 2018 and 30 September 2019.

Purpose of the report

This report has been prepared for the purpose of satisfying the requirements of paragraph 13.15 of the JSE Listings Requirements and for no other purpose.

Report on other legal and regulatory requirements

In accordance with our responsibilities set out in the JSE Listings Requirements, paragraph 13.15(b), we have performed the procedures set out therein. If, based on the procedures performed, we detect any exceptions; we are required to report those exceptions. We have nothing to report in this regard.

Grant Thornton

Ian Vorster

Director

Practice number 903485E

Registered Auditors

Chartered Accountants (SA)

Wanderers Office Park

52 Corlett Drive

Illovo, 2196

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF INDLUPLACE

Set out below is the consolidated *pro forma* statement of financial position of Indluplace reflecting the effects of the acquisition based on Indluplace's published, unaudited interim results for the six months ended 31 March 2017². The consolidated *pro forma* statement of financial position is the responsibility of the directors of Indluplace and has been provided for illustrative purposes only to provide information about how the acquisitions may have affected the financial position of Indluplace, assuming that the acquisition was implemented on 1 October 2017, and because of their nature, may not fairly represent the financial position of Indluplace shareholders after the acquisitions.

The independent reporting accountants' assurance report on the consolidated *pro forma* statement of financial position is set out in **Annexure 4** of this circular. The independent reporting accountants' review report on the value and existence of the assets and liabilities acquired by the company is set out in **Annexure 5** of this circular.

The consolidated *pro forma* financial information has been prepared in compliance with IFRS, the JSE Listings Requirements, SAICA and in accordance with the accounting policies of the Indluplace group that were used in the preparation of the interim results for the six months ended 31 March 2017. The company's accounting policies apply to all adjustments made in respect of a material acquisition.

² These results are available on the company's website: www.indluplace.co.za.

Consolidated statement of financial position

Set out below is the consolidated *pro forma* statement of financial position as at 31 March 2017.

<i>R 000</i>	Historical Financial Information <i>Unaudited</i>	Diluculo Properties <i>pro forma</i>	Historical Financial Information (including Diluculo)	Acquisition of Golden Oaks Phase 1 – Yieldex 1 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 2 – Yieldex 4 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 3 – Yieldex 7 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 4 – Yieldex 10 (Pty) Ltd <i>pro forma</i>	Acquisition of Trejon – Unlocked Properties 6 (Pty) Ltd <i>pro forma</i>	Acquisition of Belgrade – Unlocked Properties 13 (Pty) Ltd <i>pro forma</i>	Acquisition of Telmond – & Hollyland – Unlocked Properties 14 (Pty) Ltd <i>pro forma</i>	Acquisition of Progress House – Ixonix (Pty) Ltd <i>pro forma</i>	Acquisition of Windmill – Unlocked Properties 12 (Pty) Ltd <i>pro forma</i>
<i>Note</i>	<i>Note 1</i>	<i>Note 2</i>	<i>Note 3</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>	<i>Note 4</i>
ASSETS												
Non-current assets	2 614 194 018	474 433 936	3 088 627 954	7 799 254	6 060 892	16 301 157	4 545	13 143 196	12 570 695	28 026 187	26 890 137	23 057 082
Investment property	2 422 356 232	474 433 936	2 896 790 168	7 750 043	6 046 028	16 255 801	42 921 920	13 143 196	12 570 695	28 026 187	26 409 433	23 057 082
Computer software	133 158	–	133 158	–	–	–	–	–	–	–	–	–
Loans to participants of the Induplicate Share	–	–	–	–	–	–	–	–	–	–	–	–
Purchase and Option Scheme	191 704 628	–	191 704 628	–	–	–	–	–	–	–	–	–
Loans to shareholders	–	–	–	1 000	1 000	1 000	100	–	–	–	10 001	–
Deferred tax assets	–	–	–	48 211	13 864	29 356	4 445	–	–	–	470 703	–
Other financial assets	–	–	–	–	–	15 000	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–	–	–	–
Current assets	74 761 514	6 031 464	80 792 978	229 319	30 607	266 123	4 315 486	35 588	310 985	388 151	322 221	549 796
Prepaid expenses	–	483 971	483 971	–	–	–	–	–	–	–	–	–
Trade and other receivables	55 607 325	3 901 635	59 508 960	226 204	27 839	144 722	4 315 766	600	180 332	360 427	303 919	128 592
Cash and cash equivalents	19 154 189	1 645 859	20 800 048	3 115	2 768	121 401	(280)	34 988	130 653	27 724	18 302	421 204
Total assets	2 688 955 532	480 465 400	3 169 420 932	8 028 573	6 091 499	16 567 280	4 320 031	13 178 784	12 881 680	28 414 338	27 212 358	23 606 878

	Historical Financial Information Unaudited	Historical Financial Information (including Diluculo) Unaudited	Acquisition of Golden Oaks Phase 1 – Yieldex 1 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 2 – Yieldex 4 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 3 – Yieldex 7 (Pty) Ltd <i>pro forma</i>	Acquisition of Golden Oaks Phase 4 – Yieldex 10 (Pty) Ltd <i>pro forma</i>	Acquisition of Trejoon – Unlocked Properties 6 (Pty) Ltd <i>pro forma</i>	Acquisition of Belgrade – Unlocked Properties 13 (Pty) Ltd <i>pro forma</i>	Acquisition of Telmond & Hollyland – Unlocked Properties 14 (Pty) Ltd <i>pro forma</i>	Acquisition of Progress House – Ixonix (Pty) Ltd <i>pro forma</i>	Acquisition of Windmill – Unlocked Properties 12 (Pty) Ltd <i>pro forma</i>
<i>R'000</i>	Note 1	Note 2	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4	Note 4
EQUITY AND LIABILITIES											
Equity	2 478 310 813	475 000 000	2 953 310 813	(34 651)	(74 487)	(11 330)	(611 081)	(392 170)	(1 168 515)	(3 164 007)	(773 397)
Stated capital	2 290 271 465	475 000 000	2 765 271 465	1 000	1 000	100	100	100	100	10 001	100
Reserves	188 039 348	-	188 039 348	-	-	-	-	-	-	-	-
Share-based payment reserve	-	-	-	-	-	-	-	-	-	-	-
Retained earnings/loss	-	-	(123 972)	(35 651)	(75 487)	(11 430)	(611 181)	(392 270)	(1 168 615)	(3 174 008)	(773 497)
Shareholder loans	-	-	-	-	-	-	-	-	-	-	-
Non-current liabilities	160 967 536	-	160 967 536	5 208 575	15 115 883	4 322 696	12 022 722	11 531 393	26 271 345	27 598 677	21 479 255
Deferred tax liability	-	-	-	-	-	-	-	-	-	-	-
Financial liability	158 494 392	-	158 494 392	5 208 575	15 115 883	4 322 696	12 022 722	11 531 393	26 271 345	27 598 677	21 479 255
Derivative instruments	2 473 144	-	2 473 144	-	-	-	-	-	-	-	-
Current liabilities	49 677 183	5 465 000	55 142 583	917 575	1 525 884	8 665	1 767 143	1 742 457	3 311 508	2 777 688	2 901 020
Trade and other payables	49 677 183	63 986	49 741 169	207 867	31 749	8 665	65 263	236 838	379 472	1 087 878	291 020
Payments in advance	-	5 401 414	5 401 414	-	-	-	-	-	-	-	-
Other financial liability	-	-	-	709 708	1 494 135	-	1 701 880	1 505 619	2 932 036	1 689 810	2 610 000
Total equity and liabilities	2 688 955 532	480 465 400	3 169 420 932	6 091 499	16 567 280	4 320 031	13 178 784	12 881 680	28 414 338	27 212 358	23 606 878
Number of shares in issue	241 945 767	47 263 682	289 209 449								
Net asset value per share (ZAR)	10.24		10.21								
Diluted net asset value per share (ZAR)	10.24		10.21								
Net tangible value per share (ZAR)	10.24		10.21								
Diluted net tangible value per share (ZAR)	10.24		10.21								
LTV											

	Acquisition of Villa Kazi – Unlocked Properties 21 (Pty) Ltd <i>pro forma</i>	Acquisition of Skypark – Unlocked Properties 11 (Pty) Ltd <i>pro forma</i>	Acquisition of Trifecta – Unlocked Properties 20 (Pty) Ltd <i>pro forma</i>	Acquisition of 1 Elloff – Buffshelco 7 (Pty) Ltd <i>pro forma</i>	Acquisition of Pomegranate Heights – Residential Project (Pty) Ltd <i>pro forma</i>	Purchase consideration and consolidation adjustments for portfolio 1 of <i>pro forma</i>	Balance after the acquisition of portfolio 1, portfolio 3 and the specific issue <i>pro forma</i>	Acquisition of portfolio 2 of <i>pro forma</i>	Purchase consideration other adjustments and vendor consideration placement <i>pro forma</i>	<i>Pro forma</i> after the adjustments, before the effects of the specific repurchase <i>pro forma</i>	
<i>R'000</i>	Note 4	Note 4	Note 4	Note 4	Note 4	Note 5	Note 7	Note 8	Note 9	Note 10	Note 11
ASSETS											
Non-current assets	1 000	13 367 762	16 462 105	104 468 947	24 442 282	124 645 216	800 910 082	4 306 778 493	150 496 802	–	4 457 275 296
Investment property	–	13 367 762	16 416 011	104 111 295	24 403 818	125 683 106	800 910 082	– 4 114 940 707	150 496 802	(39 704 342)	4 225 733 168
Computer software	–	–	–	–	–	–	–	133 158	–	–	133 158
Goodwill	–	–	–	–	–	–	–	–	–	39 704 342	39 704 342
Loans to participants of the Indluplace Share Purchase and Option Scheme	–	–	–	–	–	–	–	191 704 628	–	–	191 704 628
Loans to shareholders	1 000	–	–	–	–	(14 101)	–	–	–	–	–
Deferred tax assets	–	–	–	–	–	(566 579)	–	–	–	–	–
Other financial assets	–	–	46 094	–	–	(61 094)	–	–	–	–	–
Property, plant and equipment	–	–	–	357 652	38 464	(396 116)	–	–	–	–	–
Current assets	–	264 655	690 442	3 013 979	436 014	(10 853 366)	–	80 792 978	–	–	80 792 978
Property developed for sale	–	–	–	–	–	–	–	–	–	–	–
Financial assets	–	–	–	–	–	–	–	–	–	–	–
Deferred tax assets	–	–	–	–	–	–	–	–	–	–	–
Prepaid expenses	–	–	–	–	–	–	–	483 971	–	–	483 971
Trade and other receivables	–	191 734	308 900	122 181	364 648	(6 675 864)	–	59 508 960	–	–	59 508 960
Cash and cash equivalents	–	72 921	381 542	2 891 798	71 366	(4 177 502)	–	20 800 048	–	–	20 800 048
Total assets	1 000	13 632 417	17 152 547	107 482 926	24 878 296	113 791 850	800 910 082	4 387 571 472	150 496 802	–	4 538 068 274

Notes and assumptions to statement of financial position

1. Extracted, without adjustment, from Indluplace's published unaudited interim results for the six months ended 31 March 2017.
2. Represents the *pro forma* effects of the acquisition of the entire issued share capital of Diluculo Properties (Pty) Ltd announced on SENS 16 March 2017, which occurred after the most recent financial reporting period, however, does not form the subject of this Circular.
3. Represents Indluplace's statement of financial position at 31 March 2017, after the *pro forma* effects of the acquisition of the entire issued ordinary share capital of Diluculo Properties (Pty) Ltd.
4. Extracted, without adjustment, from the audited statements of financial position at 28 February 2017 of the relevant property holding entities being the subject of the first portfolio transactions, prepared in accordance with the recognition and measurement criteria of IFRS and audited by Grant Thornton, who issued an unqualified audit opinion thereon. The audited statements of financial position together with the Grant Thornton audit opinion are open for inspection at the company's offices. Grant Thornton's review conclusion on the valuation and existence of the assets and liabilities acquired is set out in **Annexure 5** and lies open for inspection at the company's offices.
5. Represents the settlement of the purchase consideration in accordance with the first portfolio transactions terms and the subsequent fair value adjustments in respect of the first portfolio investment properties. The purchase price includes escalations per the transaction terms, being an escalation at an annual rate of 5% from 1 July 2017 to the effective date, assumed to be 1 October 2017, as per section 2 of the circular. It is assumed that the purchase consideration for the properties comprising portfolio 1 will be settled entirely with debt.
6. The acquisition of the third portfolio has been aggregated in the "Acquisition of portfolio 3" column as all of the properties that comprise the third portfolio are interrelated and conditional on each other. The purchase price includes escalations per the transaction terms, being an escalation at an annual rate of 5% from 1 July 2017 to the effective date, assumed to be 1 October 2017, as per section 2 of the circular. Further details of each property within the third portfolio is included in **Annexure 6**. It is assumed that the purchase consideration will be settled with an assumption of bank debt and the issue of 14 495 896 shares at an indicative price of R10.00 per share. Subsequent fair value adjustments in respect of the third portfolio investment properties have been reflected.
7. In terms of the specific issue, it has been assumed that 22 440 285 shares will be issued at R10.73 per share in terms of the right of first refusal agreement. The specific issue has been deemed an option and accounted for in terms of IFRS 2, Share-based Payments, with the assumed share based payment expense being recognised and the share-based payment reserve recognised in equity. The Black Scholes option valuation methodology has been used to value the option. The total number of shares in issue differs to the number of shares used in the determination of net asset value, diluted net asset value, net tangible asset value and diluted net tangible asset value per share, as the shares issued by Indluplace in terms of the specific issue in order to meet its obligations in terms of the right of first refusal agreement, are excluded in terms of IFRS. No dilutionary effect has been included in the forecast in respect of the specific issue as this impact is linked directly to the future traded share price of Indluplace.
8. The figures in this column show the subtotal of previous columns and illustrates the *pro forma* effects of the acquisition of portfolio 1, portfolio 3 and the specific issue.
9. The acquisition of the second portfolio has been aggregated in the "Acquisition of portfolio 2" column as all of the properties that comprise the second portfolio are interrelated and conditional on each other. The purchase price includes escalations per the transaction terms, being an escalation at an annual rate of 6% from 1 July 2017 to the effective date, assumed to be 1 October 2017, as per section 2 of the circular. Further details of each property within the second portfolio is included in **Annexure 6**. It is assumed that the purchase consideration for the properties comprising the second portfolio will be settled entirely with debt.
10. Represents the private placement of shares to third parties to raise cash on the assumption that R411.3 million is raised by issuing 41 130 734 shares at an indicative price of R10.00. The net proceeds being R402.4 million after deducting one-off transaction costs of R8.9 million. Goodwill has been recognised on the acquisition of the first portfolio, the second portfolio and the third portfolio collectively in terms of IFRS 3, and is considered recoverable as the assessed fair value of the property portfolios exceeds its carrying value.
11. Represents the *pro forma* statement of financial position of the company as at 31 March 2017, subsequent to the first portfolio transactions, third portfolio transactions, specific issue, second portfolio transactions and settlement of the purchase considerations as disclosed in the notes above.
12. Save for the adjustments set out above, the directors are not aware of any other post-balance sheet events which require adjustments to the *pro forma* consolidated statement of financial position.
13. Other than in respect of estimated transaction costs set out in note 10, all adjustments are expected to have a continuing effect.
14. **Investment properties**

	R
Cost	1 368 647 342
Goodwill acquired	(39 704 342)
Fair value adjustments	–
Fair carrying value adjustments at end of period	1 328 943 000

Measurement of fair value on investment properties

Details of valuation

Key assumptions

- Discount rate
- Annual rental escalation
- Annual cost escalation

Commentary on discount rates:

The capitalisation rate is best determined by referring to market transactions of comparable properties as it is based on information derived from market analysis. The capitalisation rate must take the prevailing interest rate into consideration. The higher the interest rate, the better return an investor will require. Similarly, risk is another factor that will influence the capitalisation rate. The higher the risk factor, the better the return an investor will require. The risk inherent to income producing properties is the degree of certainty that the income stream will be realised despite the uncertainty of the future.

Commentary on rental and operating expenses growth rates:

The annual growth escalations are based on current achievable rentals. Expenditure are based on information received from Local Authorities and experience with actual growth achieved and expectations of future increases based on budgets.

Valuation technique and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used:

Valuation techniques:

The net income capitalisation method of valuation was used to determine the value of the properties. This method determines the net normalised annual income of the property, assuming the property is fully let at market related rentals, and market escalations, with an allowance made for vacancies. Market related operating expenses are deducted, resulting in a net annual income which is then capitalised at a market related rate.

The unobservable inputs utilised in the investment property fair value calculation are as follows:

- contractual rental escalation: 0% to 8%
- expense escalation: 5% to 12%
- vacancy percentage: 0% to 7.5%
- capitalisation rate: 9% to 11.75%

Inter-relationship between key unobservable inputs and fair value measurements: The estimated fair value would increase/(decrease) if:

- capitalisation rate was lower/(higher);
- annual growth escalation was higher/(lower); and
- vacancy and bad debt percentage escalation was lower/(higher).
- Income/expenditure ratio was lower/(higher).

Fair value hierarchy

- IFRS 13 requires that an entity discloses for each class of financial instruments measured at fair value, the level in the fair value hierarchy into which the fair value measurements are categorised in their entirety.
- The fair value hierarchy reflects the significance of the inputs used in making fair value measurements.
- The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety shall be determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.
- The fair value hierarchy has the following levels:
 - Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
 - Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
 - Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- There have been no significant changes in valuation techniques.
- There have been no significant transfers between level 1, level 2 and level 3.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF INDLUPLACE**

The Board of Directors
Indluplace Properties Limited
2nd Floor
18 Melrose Boulevard
Melrose Arch

23 August 2017

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF INDLUPLACE PROPERTIES LIMITED ("INDLUPLACE" OR "THE COMPANY")

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Indluplace by the directors. The *pro forma* financial information, in **Annexure 3** of the Indluplace circular to be issued on or about 29 August 2017 ("the Circular"), consists of the *pro forma* statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in **Annexure 3**, on the Company's financial position as at 31 March 2017, as if the corporate action or event had taken place at 31 March 2017. As part of this process, information about the Company's financial position has been extracted by the directors from Indluplace's published, unaudited interim results for the six months ended 31 March 2017.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** and as described in the notes to the consolidated *pro forma* statement of financial position.

Our independence and quality control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the international Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3420: *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 3**.

Consent

This report on the *pro forma* statement of financial position is included solely for the information of the Indluplace shareholders. We consent to the inclusion of our report on the *pro forma* statement of financial position and the references thereto, in the form and context in which they appear.

Grant Thornton

Ian Vorster

Director

Practice number 903485E
Registered Auditors
Chartered Accountants (SA)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

INDEPENDENT REPORTING ACCOUNTANTS' REVIEW CONCLUSION ON THE ASSETS AND LIABILITIES ACQUIRED BY THE GROUP

The Board of Directors
Indluplace Properties Limited
2nd Floor
18 Melrose Boulevard
Melrose Arch

23 August 2017

Dear Sirs

REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED BY INDLUPPLACE PROPERTIES LIMITED ("INDLUPPLACE")

Introduction

We have reviewed the assets and liabilities acquired by Indluplace reflected in the adjustment columns ("the adjustment columns") of the *pro forma* statement of financial position included in **Annexure 3** of the Indluplace circular to be issued on or about 29 August 2017 ("the Circular") as required by paragraph 13.16(e) of the JSE Limited ("JSE") Listings Requirements.

Directors' responsibility for the *pro forma* statement of financial position

The directors are responsible for the preparation and presentation of the financial information in accordance with paragraph 13.16 (a)-(d) of the JSE Listings Requirements (the JSE Listings Requirements for the adjustment columns of the *pro forma* statement of financial position), as set out in notes 4, 6 and 9 of the *pro forma* statement of financial position, and for such internal controls as the directors determine is necessary to enable the preparation of the financial information that is free from material misstatement, whether due to fraud or error.

Independent reviewers' responsibility

Our responsibility is to express a conclusion on the financial information. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements (ISRE 2400 (Revised)). ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial information, taken as a whole, is not prepared in all material respects in accordance with JSE Listings Requirements for the adjustment columns of the *pro forma* statement of financial position. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 (Revised) is a limited assurance engagement. The reporting accountant performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on this financial information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial information is not prepared, in all material respects, in accordance with the JSE Listings Requirements for the adjustment columns of the *pro forma* statement of financial position, as set out in notes 4, 6 and 9 to the *pro forma* statement of financial position.

Purpose of the report

This report has been prepared for the purpose of satisfying the requirement of paragraph 13.16(e) of the JSE Limited Listings Requirements, and for no other purpose.

Yours faithfully

Grant Thornton**Ian Vorster***Director*

Practice number 903485E
Registered Auditors
Chartered Accountants (SA)
Wanderers Office Park
52 Corlett Drive
Illovo, 2196

DETAILS OF THE PROPERTIES

The table below sets out the details of the properties within the property portfolios.

Property name	Vendor	Geographical location	Sector	GLA Retail (m ²)	Number of units*	Valuations [§]	Purchase price (R)	Residential weighted average rental per unit (R1/month)	Net retail rental per m ² (R)	Residential vacancy (% units as at 30 June 2017)
The first portfolio transactions										
Golden Oaks	Yieldex (Pty) Ltd, Malewell Investments (Pty) Ltd and Ann Arbor (Pty) Ltd in respect of the shares in Yieldex 1, 4, 7 and 10 (Pty) Ltd	Boksburg, Gauteng	Townhouse complex	–	165	72 200 000	73 609 272	4 669	–	4.2
Trejon	Malewell Investments (Pty) Ltd, Mafadi Property Management (Pty) Ltd and Centennial Trading Company (Pty) Ltd in respect of the shares in Unlocked Properties 6 (Pty) Ltd	Florida, Gauteng	Suburban walk-up	–	34	15 000 000	15 131 947	5 050	–	2.9
Belgrade	Malewell Investments (Pty) Ltd, Rubprop 18 (Pty) Ltd, JSL Investments (Pty) Ltd, Patrick Rory Gilbride and Modacai Mthobisi Mnculwane in respect of the shares in Unlocked Properties 13 (Pty) Ltd	Florida, Gauteng	Suburban walk-up	–	44	15 200 000	16 463 208	4 308	–	11.4
Témond & Hollyland	Malewell Investments (Pty) Ltd, Marble Prop (Pty) Ltd, Toja Investments (Pty) Ltd, Rubprop 18 (Pty) Ltd, J Corp Trading CC and JSL Investments (Pty) Ltd in respect of the shares in Unlocked Properties 14 (Pty) Ltd	Bramley Park, Gauteng	Townhouse complex	–	53	36 600 000	39 000 000	7 875	–	1.9
Progress House	Malewell Investments (Pty) Ltd, Construct Capital (Pty) Ltd, Standour Properties (Pty) Ltd, The T3 Share Trust, Rubprop 18 (Pty) Ltd, JSL Investments (Pty) Ltd and Ilan Subotzky in respect of the shares in Ixonix (Pty) Ltd	Randburg, Gauteng	Suburban high-rise	1 177	75	39 900 000	41 388 752	4 520	66	4.0
Windmill	Malewell Investments (Pty) Ltd, Centennial Trading Company 173 (Pty) Ltd, Patrick Rory Gilbride, Modicai Mthobisi Mnculwane, Rubprop 18 (Pty) Ltd, JSL Investments (Pty) Ltd and Anton Harrmann Consulting CC in respect of the shares in Unlocked Properties 12 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city high-rise	149	91	34 150 000	35 946 947	4 192	107	1.1
Villa Kazi	Mafadi Property Management (Pty) Ltd in respect of the shares in Unlocked Properties 21 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city walk-up	55	100	12 400 000	12 687 078	1 932	427	1.0
Skypark	Malewell Investments (Pty) Ltd, Rubprop 18 (Pty) Ltd, The T3 share trust and JSL Investments (Pty) Ltd in respect of the shares in Unlocked Properties 11 (Pty) Ltd	South Beach, Durban	Inner city high-rise	509	39	17 050 000	17 407 846	4 822	64	2.6
Trifecta	Malewell Investments (Pty) Ltd, Rubprop 18 (Pty) Ltd, Anton Harrmann Consulting CC and JSL Investments (Pty) Ltd in respect of the shares in Unlocked Properties 10 (Pty) Ltd	Greyville, Durban	Suburban walk-up – students	–	80	26 200 000	25 703 375	5 523	–	3.8

Property name	Vendor	Geographical location	Sector	GLA Retail (m ²)	Number of units*	Valuations [§]	Purchase price (R)	Residential weighted average rental per unit (Rl/month)	Net retail rental per m ² (R)	Residential vacancy (% units as at 30 June 2017)
1 Eloff	Buffshelfco 7 (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city walk-up	-	320	114 400 000	110 347 099	3 853	-	9.4
Pomegranate Heights	First Residential Project (Pty) Ltd	Johannesburg CBD, Gauteng	Inner city walk-up	-	116	26 800 000	24 403 818	2 977	-	20.7
The second portfolio transactions										
Amberfield Village	Propsky 2 (Pty) Ltd	Vanderbijlpark, Gauteng	Suburban walk-up - students	-	102	60 250 000	59 839 252	^^	-	-
Park Village	Propsky 4 (Pty) Ltd	Vanderbijlpark, Gauteng	Suburban walk-up - students	-	109	88 100 000	88 433 459	^^	-	-
The third portfolio transactions										
TRANCHE 1										
Rhodesfield	Buffshelf 63 Trust	Rhodesfield, Gauteng	Suburban walk-up	-	62	29 000 000	26 369 308	4 444	-	14.5
Cranborough Mews	Buffshelf 51 Trust	Windor, Gauteng	Suburban walk-up	-	48	21 600 000	22 805 288	4 930	-	-
Rothchild Manor	Buffshelf 51 Trust	Rodepoort, Gauteng	Townhouse complex	-	74	36 600 000	34 854 807	5 500	-	2.7
Upper East Side	Buffshelf 51 Trust	Boksburg, Gauteng	Townhouse complex	-	52	31 800 000	34 313 743	6 554	-	1.9
Villa Mia	Buffshelf 51 Trust	Benoni, Gauteng	Townhouse complex	-	81	44 800 000	40 595 491	5 411	-	2.5
Rand President	Buffshelf 51 Trust	Randburg, Gauteng	Suburban walk-up	-	48	26 400 000	24 076 138	5 301	-	2.1
Summer Place	Buffshelf 51 Trust	Kloofendal, Gauteng	Townhouse complex	-	49	40 900 000	41 315 689	8 131	-	-
Logan's View	Buffshelf 62 Trust	Liefde En Vrede, Gauteng	Townhouse complex	-	42	33 000 000	37 889 208	7 906	-	7.1
Sunset View	Buffshelf 62 Trust	Liefde En Vrede, Gauteng	Townhouse complex	-	30	19 300 000	22 977 851	6 493	-	10.0
Kilimanjaro	Buffshelf 62 Trust	Alberton, Gauteng	Townhouse complex	-	92	47 200 000	53 667 244	4 950	-	2.2
Jackson's Cove	Buffshelf 62 Trust	Alberton, Gauteng	Townhouse complex	-	88	43 700 000	46 729 123	4 967	-	1.1
Sparrow Hawk	Buffshelf 62 Trust	Germiston, Gauteng	Townhouse complex	-	97	46 700 000	49 423 496	5 000	-	3.1
Kings	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	21	8 810 000	8 287 982	5 000	-	9.5
Samuel	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	21	8 810 000	8 448 220	5 000	-	9.5
Ezra	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	24	7 590 000	8 384 361	3 800	-	8.3
Chronicles	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	24	7 590 000	7 451 110	3 800	-	20.8
Leviticus	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	24	7 590 000	8 859 418	3 800	-	4.2
Exodus	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	24	7 590 000	8 682 022	3 800	-	4.2
Genesis	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	24	7 590 000	8 861 178	3 800	-	-

Property name	Vendor	Geographical location	Sector	GLA Retail (m ²)	Number of units*	Valuations [§]	Purchase price (R)	Residential weighted average rental per unit (R/1/month)	Net retail rental per m ² (R [^])	Residential vacancy units as % at 30 June 2017)
Judges	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	21	8 810 000	8 670 754	5 000	-	4.8
Nehemiah	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	30	12 520 000	11 664 949	4 760	-	3.3
Deuteronomy	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	18	9 440 000	10 058 347	6 600	-	12.5
Numbers	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Suburban walk-up	-	18	9 440 000	10 477 178	6 600	-	26.4
Joshua	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng	Student hostel	-	21	12 550 000	10 322 747	6 800	-	-
Ruth	Buffshelf 74 Trust ⁴	Kempton Park, Gauteng ³	School	1 080 [#]	-	8 190 000	6 999 525	-	103 [#]	-
The third portfolio transaction										
TRANSCHE 2										
Noodtweuwel Heights	Buffshelf 51 Trust	Krugsdorp, Gauteng	Townhouse complex	-	51	29 600 000	31 900 130	6 038	-	-
Germiston	Buffshelf 62 Trust	Germiston, Gauteng	Suburban walk-up	-	44	12 000 000	15 241 621	3 497	-	-
Waterfront	Buffshelf 62 Trust	Germiston, Gauteng	Townhouse complex	-	30	15 600 000	16 677 084	6 280	-	-
Arches	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	-	42	16 700 000	20 186 247	4 386	-	-
Cedar Valley	Buffshelf 92 Trust	Rosettenville, Gauteng	Townhouse complex	-	58	33 400 000	35 549 570	5 921	-	-
Westwood and Huntingdon Place	Buffshelf 92 Trust	Boksburg, Gauteng	Townhouse complex	-	28	20 500 000	22 694 148	8 200	-	-
Maria Mansions	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	-	33	12 000 000	13 023 281	4 388	-	15.2
Robwill Mansions	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	-	54	22 700 000	25 096 915	4 563	-	-
Springbok Court	Buffshelf 92 Trust	Benoni, Gauteng	Suburban walk-up	-	40	15 000 000	17 316 366	4 000	-	-
Surrey	Buffshelf 51 Trust	Randburg, Gauteng	Suburban walk-up	-	62	38 900 000	41 151 765	6 352	-	-
Total					2 803	1 312 170 000	1 351 384 356			^ 4.6

* This includes 1 244 student beds

^ Vacancies, including vacant units as a result of refurbishment and development project, amount to 12.2%

GLA relates to school

\$ Please see Annexure 7 for specific valuation dates

^^ Due to being a single-tenanted building, the weighted average rental for this property has not been disclosed

Notes:

- The difference between the valuation amounts and the purchase considerations due to the fact that the values attributed by the independent property valuers are open market values for individual properties, while the purchase considerations are negotiated values on a portfolio basis.
- The effective date of the acquisition of the property portfolios is the first calendar day of the month following the fulfilment of the last of the conditions precedent set out in paragraph 3.7.1 of the circular.
- Rentable area is reflected as GLA.
- The properties acquired from Buffshelf 74 Trust were viewed as a total value when acquiring the portfolio, even though some of the properties are valued above or below the relevant valuation.

INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORTS OF THE FIRST PORTFOLIO AND THE THIRD PORTFOLIO BEING ACQUIRED BY INDLUPLACE

Valuation report 1

"23 August 2017

The Directors
 Indluplace Properties Limited
 2nd Floor, 18 Melrose Boulevard
 Melrose Arch
 Johannesburg

Dear Sirs

RE: INDEPENDENT PROPERTY VALUERS' REPORT OF THE PROPERTY PORTFOLIO FOR INDLUPLACE PROPERTIES LIMITED AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE ARE DETAILED VALUATION REPORTS HELD BY INDLUPLACE PROPERTIES LIMITED

In accordance with your instruction of 23 February 2017, I confirm that we have visited and inspected the 46 properties or 2 592 units listed in the attached schedule ("the properties") during March, April and May 2017 (section 13.23(a)(iii)) and have received all necessary details required to perform a valuation in order to provide you with my opinion of the properties' market values as at 1 April 2017, 1 June 2017 and 1 July 2017 respectively (section 13.23(c)).

1. INTRODUCTION

The valuation of the properties has been carried out by the valuer who has carefully considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of Indluplace Properties Limited. The detailed reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk. All these aspects have been considered in the individual valuation reports of the properties. The detailed reports have further addressed the tenancy income capability and expenditure for each property and tenant. Historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the fair market value for each property which is detailed in the detailed report and which has been summarised on a summary schedule, attached hereto, for each property. There are 46 properties and the important aspects of the detailed valuation report including the property market value for all of the properties have been summarised in the attached schedule.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

- 2.1 a willing seller and a willing buyer in a market;
- 2.2 that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the property, for the agreement of price and terms and for the completion of the sale; and
- 2.3 that the state of the market, level of values and other circumstances are, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

3. VALUE CALCULATION

The calculation of the market value of these properties has been based on income capitalisation. This is the fundamental basis on which commercial income producing properties are traded on the market in South Africa. This is also due to there being strong supporting evidence of open market rental rates and capitalisation rates which are evidenced by sales in the market (section 13.23(d)).

Properties traded in the current market reflect a yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

The considerations for the capitalised valuations are as follows:

- 3.1 Calculating the forward cash flow of all contractual and other income from the properties;
- 3.2 Calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed;
- 3.3 The current area vacancy as a percentage of the property portfolio is approximately 5.0%. In order to apply a conservative approach, we have deducted approximately 5.0% of the gross income as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting during the course of the coming year. The current vacancy is market related. The void provision used in the valuation is therefore adequate (section 13.23(f)(i));
- 3.4 There is no loss of rental due to renovations or refurbishments currently being carried out on the buildings. There is, however, ongoing external and internal maintenance work and some tenant installation fitting out that is currently in progress. There is no loss of rental as a result of these activities (section 13.23(f)(ii));
- 3.5 Generally, the rentals are market related. This has been determined by comparing similar buildings in comparable areas to the properties valued, in terms of rental per square metre. The rental rate has also been checked against various published indices including the Rode Report. There are no properties that are overrented, or that cannot be re-rented at the same or higher rental rate should such property become vacant. There is therefore minimal potential for rental flow reversion. There is, however, a positive upside potential for real growth in rental, given the low base of which the average rentals flow. This is provided that the economy remains in a slow recovery pattern as currently being experienced as that there are no major economic fluctuations which may upset the economy (section 13.23(f)(iii));
- 3.6 Capitalising the net contractual income derived from the properties for a period of 1 year in advance, calculated from 1 April 2017, 1 June 2017 and 1 July 2017 respectively;
- 3.7 The valuation has considered published market statistics regarding rental rates and expenditure for the different types of properties. It is also considered numerous other portfolios of similar properties in order to determine if any properties are overrented or have excessive expenditure; and
- 3.8 Various provisions for capital contingencies were deducted from the capitalised value.

4. SPARE LAND

As far as could be established, there are no properties with large tracts of vacant zoned and serviced spare land (section 13.26)

5. BRIEF DESCRIPTION

The properties comprise of a school, retail and residential accommodation. Please refer to the summary of properties below:

Building name	Geographical location	Number of Residential units	Retail and other GLA (m²)	Property use
Golden Oaks	Boksburg, Gauteng	165		Townhouse complex
Trejon	Florida, Gauteng	34		Suburban walk – up
Belgrade	Florida, Gauteng	44		Suburban walk – up
Telmond & Hollyland	Bramley Park, Gauteng	53		Townhouse complex
Progress House	Randburg, Gauteng	75	1 177	Suburban high-rise
Windmill	Johannesburg CBD, Gauteng	91	149	Inner city high-rise
Villa Kazi	Johannesburg CBD, Gauteng	100	55	Inner city walk-up
Skypark	South Beach, Durban	39	509	Inner city high-rise
Trifecta	Greyville, Durban	80		Suburban walk – up (students)
1 Eloff	Johannesburg CBD, Gauteng	320		Inner city walk – up

Building name	Geographical location	Number of Residential units	Retail and other GLA (m²)	Property use
Pomegranate Heights	Johannesburg CBD, Gauteng	116		Inner city walk – up
Rhodesfield	Rhodesfield, Gauteng	62		Suburban walk – up
Cranborough Mews	Windsor, Gauteng	48		Suburban walk – up
Rothchild Manor	Roodepoort, Gauteng	74		Townhouse complex
Upper East Side	Boksburg, Gauteng	52		Townhouse complex
Villa Mia	Benoni, Gauteng	81		Townhouse complex
Rand President	Randburg, Gauteng	48		Suburban walk – up
Summer Place	Kloofendaal, Gauteng	49		Townhouse complex
Logan's View	Liefde en Vrede, Gauteng	42		Townhouse complex
Sunset View	Liefde en Vrede, Gauteng	30		Townhouse complex
Kilimanjaro	Alberton, Gauteng	92		Townhouse complex
Jacson Cove	Alberton, Gauteng	88		Townhouse complex
Sparrow Hawk	Germiston, Gauteng	97		Townhouse complex
Kings	Kempton Park, Gauteng	21		Suburban walk – up
Samuel	Kempton Park, Gauteng	21		Suburban walk – up
Ezra	Kempton Park, Gauteng	24		Suburban walk – up
Chronicles	Kempton Park, Gauteng	24		Suburban walk – up
Leviticus	Kempton Park, Gauteng	24		Suburban walk – up
Exodus	Kempton Park, Gauteng	24		Suburban walk – up
Genesis	Kempton Park, Gauteng	24		Suburban walk – up
Judges	Kempton Park, Gauteng	21		Suburban walk – up
Nehemiah	Kempton Park, Gauteng	30		Suburban walk – up
Deuteronomy	Kempton Park, Gauteng	18		Suburban walk – up
Numbers	Kempton Park, Gauteng	18		Suburban walk – up
Joshua	Kempton Park, Gauteng	21		Student hostel
Ruth	Kempton Park, Gauteng	0	1 080	School
Noordheuwel Heights	Krugersdorp, Gauteng	51		Townhouse complex
Germiston	Germiston, Gauteng	44		Suburban walk – up
Waterfront	Germiston, Gauteng	30		Townhouse complex
Arches	Benoni, Gauteng	42		Suburban walk – up
Cedar Valley	Rosettenville, Gauteng	58		Townhouse complex
Westwood & Huntingdon Place	Boksburg, Gauteng	28		Townhouse complex
Maria Mansions	Benoni, Gauteng	33		Suburban walk – up
Robwill Mansions	Benoni, Gauteng	54		Suburban walk – up
Springbok Court	Benoni, Gauteng	40		Suburban walk – up
Surrey	Randburg, Gauteng	62		Suburban walk – up

The properties are well constructed and generally have acceptable architectural merit, aesthetic appeal and sufficient parking facilities and are virtually fully tenanted. The leases tend to be of a general short-term contractual rental nature

with provision for the recovery of most of the utility services consumed by the lessees. Escalations are market related but are high enough to ensure a more than positive growth rate is ensured without creating an overrent potential in the medium term. The properties are generally highly visible and dominate their environment.

In respect of the properties, the current net annual rental are included in each individual detailed property valuation report.

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of: leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised properties; large exposure to a single tenant; potential tenant failure due to overrent; expenses required for major repairs; maintenance or other exposure to maintain the lettable of the building; contingent expropriations or servitudes that may be enforced; poor lease records whereby the lease may be disputed or rendered invalid.

We have, to the best of our knowledge, considered all of these aspects in the valuation of all the properties. There are no properties that are prejudiced in value by the influence of the above factors.

The valuer is however not responsible for the competent daily management of these properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

7. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

To my knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties (section 13.2 (g)).

To the best of my knowledge, there are no options in favour of any parties for any purchase of any of the properties (section 13.23(h)).

8. INTRA-GROUP OR RELATED PARTY LEASES (SECTION 13.23(A)(XI))

Having inspected all the tenant schedules and leases it is noted that there are no intra-group or related party leases.

9. CURRENT STATE OF DEVELOPMENT

There is no property which is currently being re-developed. Note that there is no spare land capacity for expansion. (Section 13.24 and 13.25).

10. RENTALS USED IN VALUATIONS

Note that all these properties are all generally rented out. The current annual rental and future annual rentals have been calculated in a separate first year income calculation check schedule. It is noted that there are no material rental reversions and that the gross rentals for all the properties increase on average by approximately 5% to 9% compounding per annum.

11. EXTERNAL PROPERTY

None of the properties are situated outside the Republic of South Africa (section 13.28).

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY (SECTIONS 13.30 AND 13.31)

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Indluplace Properties Limited.

13. ALTERNATIVE USE FOR A PROPERTY (13.27)

The properties have been valued in accordance with their existing use which represents their market value. No alternative use for the properties has been considered in determining their value.

14. OTHER COMMENTS

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

15. CAVEATS

15.1 Source of information and verification (section 13.23(a)(xiii))

Information on the properties regarding rental income, recoveries and other income detail has been provided to us by the current owners and their managing agents.

We have received copies of all of the leases of the existing properties where such leases are the major tenant or tenants comprising anything higher than 10% occupancy of the property. The leases have been read to check against management detail, in order to ensure that management has correctly captured tenant information as per contractual agreement. This has been done to test management information against the underlying agreements.

We have further compared certain expenditures given to us to the market norms of similar properties. This has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the properties in order to assess potential expenditure going forward.

The municipal values on some of the properties are low. At the current transaction values there is probability for some of the municipal values to increase by considerable amounts, should the municipality revalue these properties, in which event the rates could increase to two or three times their current amount.

15.2 Full disclosure

This valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to me.

We have to the best of our ability researched the market as well as taken the steps detailed in paragraph 15.3 below.

15.3 Leases (section 13.23(a)(ix))

Our valuation has been based on a review of actual tenants' leases (which includes material terms such as repairing obligations, escalations and break options) and other pertinent details supplied to us by the managing agents and by Indluplace Properties Limited. All recovery details in respect of the existing leases e.g. utility cost and other recoveries as provided for in the leases have been disclosed by way of the monthly tenant invoices and the summary schedule supplied to us. Option terms and other lease information have been supplied to us by the owners and managing agents and we are familiar with such documents.

15.4 Lessees credibility

In arriving at our valuation, cognisance has been taken of the lessee's security and rating. In some cases this has influenced the capitalisation rate by way of a risk consideration.

15.5 Mortgage bonds, loans, etc.

The properties have been valued as if wholly-owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the properties.

15.6 Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents. Updated plans were not available for all the properties in respect of internal configuration. The properties generally appear to have the stated square meterage which could only be more accurately determined if re-measured by a professional. The reported square meterage is therefore considered as correct as possible without full a re-measurement exercise being undertaken.

15.7 Structural condition

The properties have been valued in their existing state. We have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services.

15.8 Contamination

The valuation assumes that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

15.9 Town planning (section 13.23(a)(vi) and (vii))

Full town planning details and title deeds have been supplied in the detailed valuation reports including conditions and restrictions and the properties have been checked against such conditions. This is to ensure that they comply with town planning regulations and title deeds. There do not appear to be any infringements of local authority regulations or deeds in respect of the properties.

The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the properties which infringement could decrease the value of the properties as stated.

16. MARKET VALUE

I am of the opinion that the aggregate market value of the properties as at the respective dates of valuation is **R1 163 820 000** (excluding VAT). A summary of the individual valuations and details of each of the properties are attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I have more than 25 years' experience in the valuation of all nature of property and I am qualified to express an opinion on the fair market value of the properties.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

for Real Insight (Pty) Ltd

Theunis Lodewyk Johannes Behrens

National Diploma Property Valuation

Registered Professional Associated Valuer (No. 3206)

(Registered without restriction in terms of the Property Valuers Act, No. 47 of 2000)

1st Floor, York House

Tybalt Place, Treur Close

Waterfall Office Park

Midrand

1682"

SCHEDULE OF PROPERTIES

No.	Property name	Physical address	Registered legal description (Erf number)	Property use	Valuer's inspection date	Freehold/Leasehold	Residential units (no)	Rentable area (GLA) (m ²)	Approximate age of building	Building grade	Zoning, town planning and statutory contravention (if any)	Vacancy provision	Valuation as at	
													Net income	1 April 2017; 1 June 2017 and 1 July 2017
1	Golden Oaks	Corner Main Reef & Pretoria Road	Erf 471 Comet Ext 6	Townhouse complex	14-Mar-17	Freehold	165		2 years	A	Residential 4	3.00%	R7 043 777	R72 200 000
2	Trejon	2 Ivan Street	Portions 3 & 4 of Erf 162 Florida	Suburban walk – up	15-Mar-17	Freehold	34		60 years	B	Residential 4	5.00%	R1 574 846	R15 000 000
3	Belgrade	43 Fifth Street	Erf 192 Florida	Suburban walk – up	15-Mar-17	Freehold	44		60 years	C	Residential 4	5.00%	R1 595 607	R15 200 000
4	Telmond & Hollyland	21 & 23 Andries Close	Erven 78 & 79 Bramley Park	Townhouse complex	14-Mar-17	Freehold	53		34 and 10 years	A	Residential 4	5.00%	R3,569,424	R36 600 000
5	Progress House	1 Ryder Road	Erven 161 – 164 Bordeaux	Suburban high-rise	22-Mar-17	Freehold	75	1 177	5 years	A	Business 1, Parking & Special	3.00%	R4 184 608	R39 900 000
6	Windmill	179 Main Street	Erven 94 & 101 City and Suburban	Inner city high-rise	22-Mar-17	Freehold	91	149	40 years	C	Industrial 1	3.00%	R3 670 685	R34 150 000
7	Villa Kazi	4 Harris Street	Erven 958 -960 Marshalls Town	Inner city walk-up	22-Mar-17	Freehold	100	55	10 years	B	Industrial 1	4.00%	R1 485 273	R12 400 000
8	Skypark	23 Masobiya Mdluli Street	Erf 10330 Durban	Inner city high-rise	22-Mar-17	Freehold	39	509	20 years	B	General Business	5.00%	R1 875 591	R17 050 000
9	Trifecta	26 Mitchell Crescent	Remainder of Erf 1051 & 1052 Durban	Suburban walk – up students	22-Mar-17	Freehold	80		60 years	B	General Residential 1	5.00%	R2 880 026	R26 200 000
10	1 Eloff – Residential/parking	8 Eloff Street	Erf 9 as well as remaining Erven and Portion 1 of erf 10 Salisbury Claius	Inner city walk-up	22-Mar-17	Freehold	320		40 years	C	Industrial 1	4.00%	R12 007 740	R114 400 000
11	Pomegranate Heights	1 & 3 Grenoble Road	Portion 245 of the farm Turfontein 96 IR & Erf 811 Marshalls Town	Inner city walk – up	22-Mar-17	Freehold	116		30 years	C	Industrial 1	7.50%	R2 947 112	R26 800 000
12	Rhodesfield	3 Mosquito Street	Erven 636 & 637 Rhodesfield	Suburban walk – up	16-Mar-17	Freehold	62		25 years	A	Residential 4	2.50%	R2 757 277	R29 000 000
13	Cranborough Mews	63 Countesses Avenue	Erf 1111 Windsor	Suburban walk – up	15-Mar-17	Freehold	48		10 years	A	Residential 4	2.50%	R2 107 063	R21 600 000
14	Rorichild Manor	80 Rorichild Road	Erf 1233 Groblerpark Ext 86	Townhouse complex	15-Mar-17	Freehold	74		10 years	A	Residential 3	2.50%	R3 656 115	R36 600 000
15	Upper East Side	16 Edgar Road	Erf 494 Eveleigh	Townhouse complex	16-Mar-17	Freehold	52		10 years	A	Residential 3	2.50%	R3 022 645	R31 800 000
16	Villa Mia	Viool Street	Erf 4033 Rynfield Ext 101	Townhouse complex	17-Mar-17	Freehold	81		10 years	A	Residential 3	2.50%	R4 252 931	R44 800 000
17	Rand President	340 Pretoria Avenue	Erf 1679 Ferndale	Suburban walk – up	17-Mar-17	Freehold	48		40 years	A	Residential 4	3.50%	R2 503 943	R26 400 000
18	Summer Place	28 Topaz Avenue	Erf 783 Kloofendal	Townhouse complex	15-Mar-17	Freehold	49		30 years	B	Residential 3	2.50%	R3 782 168	R40 900 000
19	Logan's View	8 Grasvol Crescent	Erf 52 Liefde en Vrede Ext 1	Townhouse complex	14-Mar-17	Freehold	42		10 years	A	Residential 3	2.50%	R3 133 314	R33 000 000
20	Sunset View	16 Swempie Crescent	Erf 20 Liefde en Vrede Ext 1	Townhouse complex	14-Mar-17	Freehold	30		10 years	A	Residential 3	2.50%	R1 830 103	R19 300 000

No. Property name	Physical address	Registered legal description (Erf number)	Property use	Valuer's inspection date	Freehold/Leasehold	Residential units (no)	Rentable area (GLA) (m ²)	Approximate age of building	Building grade	Zoning, town planning and statutory contravention (if any)	Vacancy provision	Valuation as at	
												Net income	1 April 2017; 1 June 2017 and 1 July 2017
21 Kilimanjaro	14 Reedbuck Street	Erf 750 Elandspark Ext 6	Townhouse complex	20-Mar-17	Freehold	92		5 years	A	Residential 3	2.50%	R4 482 075	R47 200 000
22 Jason Cove	14A Reedbuck Street	Erf 749 Elandspark Ext 6	Townhouse complex	20-Mar-17	Freehold	88		5 years	A	Residential 3	2.50%	R4 038 623	R43 700 000
23 Sparrow Hawk	1 Black Reef Road	Erf 274 Union Ext 26	Townhouse complex	17-Mar-17	Freehold	97		10 years	B	Residential 3	3.00%	R4 432 765	R46 700 000
24 Kings	39 North Rand Road	Erf 19 Kempton Park	Suburban walk – up	8-May-17	Freehold	21		5 years	A	Residential 4	5.00%	R946 856	R8 810 000
25 Samuel	69 North Rand Road	Erf 34 Kempton Park	Suburban walk – up	8-May-17	Freehold	21		5 years	A	Residential 4	5.00%	R946 856	R8 810 000
26 Ezra	64 North Rand Road	Erf 78 Kempton Park	Suburban walk – up	8-May-17	Freehold	24		5 years	A	Residential 4	5.00%	R815 529	R7 590 000
27 Chronicles	41 North Rand Road	Erf 20 Kempton Park	Suburban walk – up	8-May-17	Freehold	24		5 years	A	Residential 4	5.00%	R815 529	R7 590 000
28 Leviticus	55 Maxwell Street	Erf 114 Kempton Park	Suburban walk – up	8-May-17	Freehold	24		5 years	A	Residential 4	5.00%	R819 529	R7 590 000
29 Exodus	69 Maxwell Street	Erf 119 Kempton Park	Suburban walk – up	8-May-17	Freehold	24		5 years	A	Residential 4	5.00%	R815 529	R7 590 000
30 Genesis	69 Maxwell Street	Erf 121 Kempton Park	Suburban walk – up	8-May-17	Freehold	24		5 years	A	Residential 4	5.00%	R815 529	R7 590 000
31 Judges	71 Maxwell Street	Erf 122 Kempton Park	Suburban walk – up	8-May-17	Freehold	21		5 years	A	Residential 4	5.00%	R946 856	R8 810 000
32 Nehemiah	13 Blockhouse Street	Portion 35 of Erf 2772 Kempton Park	Suburban walk – up	8-May-17	Freehold	30		5 years	A	Residential 4	5.00%	R1 345 556	R12 520 000
33 Deuteronomy	23 North Rand Road	Erf 12 Kempton Park	Suburban walk – up	8-May-17	Freehold	18		5 years	A	Residential 4	8.00%	R1 015 163	R9 440 000
34 Numbers	37 Maxwell Street	Erf 105 Kempton Park	Suburban walk – up	8-May-17	Freehold	18		5 years	A	Residential 4	8.00%	R1 015 163	R9 440 000
35 Joshua	31 Maxwell Street	Erf 102 Kempton Park	Suburban walk – up	8-May-17	Freehold	21		5 years	A	Residential 4	0.00%	R1 349 178	R12 550 000
36 Ruth	70 Kempton Street	Erf 253 Kempton Park	School	8-May-17	Freehold		1 080	5 years	A	Business 3	0.00%	R880 742	R8 190 000
37 Noordheuwel Heights	7 Matroosberg Street	Erf 2236 Noordheuwel	Townhouse complex	26-Apr-17	Freehold	51		20 years	A	Residential 3	2.50%	R2 809 791	R29 600 000
38 Germiston	11 -13 Selkirk Street	Erven 172, 173 and Portion 1 of Erf 164 South Germiston	Suburban walk – up	10-May-17	Freehold	44		60 years	C	Residential 4	2.50%	R1 195 631	R12 000 000
39 Waterfront	1 Marguerite Avenue	Portion 4 of Erf 3013 Primrose Ext 16	Townhouse complex	28-Apr-17	Freehold	30		20 years	C	Residential 4	3.00%	R1 556 076	R15 600 000
40 Arches	64 Howard Avenue	Erf 7599 Benoni	Suburban walk – up	10-May-17	Freehold	42		30 years	B	Business 1	2.50%	R1 624 827	R16 700 000
41 Cedar Valley	426 Rifle Range Road	Erf 1922 Rosettenville Ext 3	Townhouse complex	28-Apr-17	Freehold	58		10 years	B	Residential 3	3.00%	R3 258 778	R33 400 000
42 Westwood & Huntingdon Place	2 -8 Commissioner Street	Erven 639 & 640 Boksburg South Ext 4	Townhouse complex	10-May-17	Freehold	28		40 years	B	Residential 3	2.50%	R1 951 321	R20 500 000
43 Maria Mansions	3 Neethling Street	Portion 9 of Erf 2655 Benoni	Suburban walk – up	10-May-17	Freehold	33		20 years	A	Residential 4	2.50%	R1 174 303	R12 000 000
44 Robwill Mansions	1 Howard Avenue	Erven 909 & 915 Benoni	Suburban walk – up	10-May-17	Freehold	54		40 years	C	Business 1	2.50%	R2 216 655	R22 700 000
45 Springbok Court	5 Industry Road	Portions 7 & 8 of Erf 2655 Benoni	Suburban walk – up	10-May-17	Freehold	40		20 years	C	Residential 4	2.50%	R1 462 645	R15 000 000
46 Surrey	267 Surrey Avenue	Erf 1071 Ferndale	Suburban walk – up	26-Apr-17	Freehold	62		10 years	A	Residential 3	2.50%	R3 695 710	R38 900 000

Valuation report 2

“23 August 2017

The Directors

Indluplace Properties Limited
2nd Floor, 18 Melrose Boulevard
Melrose Arch
Johannesburg

Dear Sirs

RE: INDEPENDENT PROPERTY VALUERS’ REPORT OF THE SECOND PROPERTY PORTFOLIO FOR INDLUPLACE PROPERTIES LIMITED (“INDLUPLACE”) AS DETAILED IN THE SUMMARY SCHEDULE ATTACHED AND FOR WHICH THERE ARE DETAILED VALUATION REPORTS HELD BY INDLUPLACE

In accordance with your instruction of 29th of June 2017, I confirm that we have visited and inspected the two properties listed in the attached schedule (“the properties”) on the 5th of July 2017 (section 13.23(a)(iii)) and have received all necessary details required to perform a valuation in order to provide you with my opinion of the properties’ market values as at 31st of July 2017 (section 13.23(c))

1. INTRODUCTION

The valuation of the properties has been carried out by the valuer who has carefully considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of Indluplace. The detailed reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk. All these aspects have been considered in the individual valuation reports of the properties. The detailed reports have further addressed the tenancy income capability and expenditure for each property and tenant. Historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the fair market value for each property which is detailed in the detailed report and which has been summarised on a summary schedule, attached hereto, for each property. There are two properties and the important aspects of the detailed valuation report including the property market value for all of the properties have been summarised in the attached schedule.

2. BASIS OF VALUATION

The valuation is based on market value.

Market value means the best price, at which the sale of an interest in a property may reasonably be expected to have been completed, unconditionally for a cash consideration on the date of valuation, assuming:

- 2.1 a willing seller and a willing buyer in a market;
- 2.2 that, prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the property, for the agreement of price and terms and for the completion of the sale; and
- 2.3 that the state of the market, level of values and other circumstances are, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

3. VALUE CALCULATION

The calculation of the market value of these properties has been based on Discounted Cash Flow method (“DCF”). Under the DCF method the forecasted cash flow is discounted back to the valuation date, resulting in a present value of the asset. The DCF is the accepted approach to value such properties and is recognised by all significant investors, listed companies and financial institutions, as it allows for adjustments including escalations and is more sensitive than the straight-line capitalisation of the first year’s income, into perpetuity. (Section 13.23(d)).

The considerations for the DCF capitalised valuations are as follows:

- 3.1 calculating the forward cash flow of all contractual and other income from the properties for a period of 5 years;
- 3.2 calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed;

- 3.3 the current area vacancy as a percentage of the properties is approximately 0.0 %. In order to apply a conservative approach, we have deducted approximately 7.5% of the gross income in the terminal year as a provision for rental that may not be collected as a consequence of vacancy, tenant failure or tenant refitting during the course of the coming year. The current vacancy is 0%. The void provision used in the valuation is therefore adequate. (Section 13.23(f)(i));
- 3.4 there is no loss of rental due to renovations or refurbishments currently being carried out on the buildings. There is, however, ongoing external maintenance work and some tenant installation fitting that is currently in progress. There is no loss of rental as a result of these activities. (Section 13.23(f)(ii));
- 3.5 generally, the rentals are market related. This has been determined by comparing similar buildings in comparable areas to the properties valued, in terms of rental per square metre or rent per unit. There are no properties that are overrented, or that cannot be re-rented at the same or higher rental rate should such property become vacant. There is therefore minimal potential for rental flow reversion. There is, however, a positive upside potential for real growth in rental, given the low base off which the average rentals flow. This is provided that the economy remains in a slow recovery pattern as currently being experienced as that there are no major economic fluctuations which may upset the economy. (Section 13.23(f)(iii));
- 3.6 capitalising the net contractual income derived from the properties for a period of one year in advance, calculated from 1 August 2017. Under the DCF method the forecasted cash flow is discounted back to the valuation date, resulting in a present value of the asset;
- 3.7 the valuation has considered published market statistics regarding rental rates and expenditure for the different types of properties. It is also considered numerous other portfolios of similar properties in order to determine if any properties are overrented or have excessive expenditure; and
- 3.8 various provisions for capital contingencies were included in the forecasted cash flow.

4. SPARE LAND

As far as could be established, there are no properties with large tracts of vacant zoned and serviced spare land. (Section 13.26)

5. BRIEF DESCRIPTION

The properties comprise of student accommodation, please refer to the summary of properties below

Building name	Addresses	Number of Units	Property description
Park Village	112 Hans Strijdom Street, Vanderbijlpark, Gauteng	109	Student accommodation
Amberfield	Jenner Street, Vanderbijlpark, Gauteng	102	Student accommodation

The properties have been well constructed, generally have acceptable architectural merit, aesthetic appeal, sufficient parking facilities and are virtually fully tenanted. The leases tend to be of a general short-term contractual rental nature with provision for the recovery of utility services consumed by the lessee's. Escalations are market related but are high enough to ensure a more than positive growth rate is ensured without creating an overrent potential in the medium term. The properties are generally highly visible and dominate their environment.

In respect of the properties, the current net annual rental and the estimated future net annual rentals at specified dates and for specified periods are included in each individual detailed property valuation report.

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of: leases under negotiation that have not yet been formalised; leases of a large nature where the premises are difficult to re-let; specialised properties; large exposure to a single tenant; potential tenant failure due to overrent; expenses required for major repairs; maintenance or other exposure to maintain the lettability of the building; contingent expropriations or servitudes that may be enforced; poor lease recordals whereby the lease may be disputed or rendered invalid.

We have, to the best of our knowledge, considered all of these aspects in the valuation of all the properties. There are no properties that are prejudiced in value by the influence of the above factors.

The valuer is, however, not responsible for the competent daily management of these properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

7. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

To my knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties (Section 13.23(g)).

To the best of my knowledge, there are no options in favour of any parties for any purchase of any of the properties. (Section 13.23(h)).

8. INTRA-GROUP OR RELATED PARTY LEASES (SECTION 13.23(A)(XI))

Having inspected all the tenant schedules and leases it is noted that there are no intra-group or related party leases.

9. CURRENT STATE OF DEVELOPMENT

The properties are developed with existing structures (Section 13.24 and 13.25).

10. RENTALS USED IN VALUATIONS

Note that all these properties are all generally rented out. The current annual rental and future annual rentals have been calculated in a discounted cash flow check schedule. It is noted that there are no material rental reversions and that the rentals for all the properties increase on average by approximately 6% compounding per annum.

11. EXTERNAL PROPERTY

None of the properties are situated outside the Republic of South Africa. (Section 13.28).

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY (SECTIONS 13.30 AND 13.31)

A full valuation report is available on a property by property basis detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Indluplace.

13. ALTERNATIVE USE FOR A PROPERTY (13.27)

The properties have been valued in accordance with their existing use which represents their market value. The properties could be used as conventional residential accommodation if needed.

14. OTHER COMMENTS

Our valuation excludes any amounts of Value-added Tax, transfer duty, or securities transfer duty.

15. CAVEATS

15.1 Source of information and verification (Section 13.23(a)(xiii))

Information on the properties regarding rental income, recoveries and other income detail has been provided to us by the current owners and their managing agents. We have received copies of all of the leases of the existing properties where such leases are the major tenant or tenants comprising anything higher than 10% occupancy of the property. The leases have been read to check against management detail, in order to ensure that management has correctly captured tenant information as per contractual agreement. This has been done to test management information against the underlying agreements.

We have further compared certain expenditures given to us, to the market norms of similar properties. This has also been compared to historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal utility services were compared to the past performance of the properties in order to assess potential expenditure going forward.

15.2 Full disclosure

This valuation has been prepared on the basis that full disclosures of all information and factors that may affect the valuation have been made to me. We have to the best of our ability researched the market as well as taken the steps detailed in paragraph 15.3 below.

15.3 Leases (section 13.23(a)(ix))

Our valuation has been based on a review of actual tenants' leases (which includes material terms such as repairing obligations, escalations, break options) and other pertinent details supplied to us by the managing agents and by Indluplace. All recovery details in respect of the existing leases e.g. utility cost and other recoveries as provided for in the leases have been disclosed by way of the monthly tenant invoices and summary schedule supplied to us. Option terms and other lease information have been supplied to us by the owners and managing agents and we are familiar with such documents.

15.4 Lessee's credibility

In arriving at our valuation, cognisance has been taken of the lessee's security and rating. In some cases this has influenced the exit capitalisation rate by way of a risk consideration.

15.5 Mortgage bonds, loans, etc.

The properties have been valued as if wholly owned with no account being taken of any outstanding monies due in respect of mortgage bonds, loans and other charges. No deductions have been made in our valuation for costs of acquisition.

The valuation is detailed in a completed state and no deductions have been made for retention or any other set-off or deduction for any purposes which may be made at the discretion of the purchaser when purchasing the properties.

15.6 Calculation of areas

All areas quoted within the detailed valuation reports are those stated in the information furnished and verified where plans were available. To the extent that plans were not available, reliance was placed on the information submitted by the managing agents. Updated plans were not available for all the properties in respect of internal configuration. The properties generally appear to have the stated square meterage which could only be more accurately determined if remeasured by a professional. The reported square meterage is therefore considered as correct as possible without full a remeasurement exercise being undertaken.

15.7 Structural condition

The properties have been valued in their existing state. We have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have we arranged for the testing of any electrical or other services.

15.8 Contamination

The valuation assumes that a formal environmental assessment is not required and further that none of the properties are environmentally impaired or contaminated, unless otherwise stated in our report.

15.9 Town planning (Section 13.23(a)(vi) and (vii))

Full town planning details and title deeds have been supplied in the detailed valuation reports including conditions and restrictions and the properties have been checked against such conditions. This is to ensure that they comply with town planning regulations and title deeds. There do not appear to be any infringements of local authority regulations or deeds by any of the property. The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties. There is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the properties which infringement could decrease the value of the properties as stated.

16. MARKET VALUE

I am of the opinion that the aggregate market value of the properties as at 31st of July 2017 is R148 350 000 (excluding VAT). A summary of the individual valuations and details of each of the properties are attached.

To the best of our knowledge and belief there have been no material changes in circumstances between the date of the valuation and the date of the valuation report which would affect the valuation.

I trust that I have carried out all instructions to your satisfaction and thank you for the opportunity of undertaking this valuation on your behalf.

Yours faithfully,

Signed by **Rowan Scott Collins**

Professional Valuer registered with the **South African Council for the Professional Valuers Profession (SACPVP). Registration number 7378/1.** For and on behalf of **Yield Enhancement Solutions Proprietary Limited.**"

SCHEDULE OF PROPERTIES

No.	Property name	Physical address	Registered legal description (Erf number)	Property description and use	Valuer's inspection date	Freehold/Leasehold	Tenure of leasehold	Number of Units	Approximate age of building	Building grade	Zoning, town planning and statutory contravention (if any)	Assumed perpetual void/vacancy	Income projection (R) for the period 1 August 2017 to 31 July 2018	Valuation (R) as at 31 July 2017
1	Park Village	112 Hans Strijdom Street, Vanderbijlpark	SS Park Village	Student accommodation	05/07/2017	Freehold	Not applicable	109 Units	10 years	A	Residential 4	7.5%	R10 220 876	R88 100 000
2	Amberfield	5 Jenner Street, Vanderbijlpark	SS Amberfield Villager	Student accommodation	05/07/2017	Freehold	Not applicable	102 Units	10 years	A	Residential 2	7.5%	R6 978 567	R60 250 000

VENDORS

The material immovable properties, subsidiaries and investments acquired by Indluplace in the three years preceding the last practicable date and immovable properties, subsidiaries and investments to be acquired are detailed in the table below, together with the names and addresses of the vendors of the immovable properties and/or securities purchased by Indluplace and/or its subsidiaries and the consideration paid by the vendors.

		Consideration (R)													
No.	Name and nature of the asset acquired	Entity which acquired the asset	Name of vendor	Address of vendor	Names of beneficial shareholders of vendor ¹	Date of acquisition by Indluplace and/or its subsidiary ² securities	Issue of securities	Cash portion	Other	Loans incurred to finance acquisition ³	Valuation	Goodwill/ intangible assets paid in which accounted for	Cost of asset by the vendor (if purchased within preceding three years) ⁴	Date of acquisition by the vendor (if purchased within preceding three years) ⁵	Amount paid for goodwill by vendor ⁶
1	Honey Park Rental enterprise	Indluplace	The Standard Bank of South Africa	3rd, The First, Corner Cradock Avenue and Rosebank, 2196	Wholly-owned by The Standard Bank of South Africa	October/ November 2014	–	R150 000 000	–	Loan from Arrowhead Properties: R150 000 000	R164 000 000	None	Acquired in 2012	R167 000 000	None
2	Amberfield Village Rental enterprise	Indluplace	Propsky 2 Properties Proprietary Limited	Building 1, Liberty Office Park, 171 Katherine Street, Sandton	Not obtainable, however, none of the directors of the group are beneficial shareholders of the vendor	15 October 2014	–	R46 583 186	–	Loan from Arrowhead Properties: R46 583 186	R48 750 000	None	Not obtainable	Not obtainable	Not obtainable
3	Park Village Rental enterprise	Indluplace	Propsky 4 Properties Proprietary Limited	Building 1, Liberty Office Park, 171 Katherine Street, Sandton	Not obtainable, however, none of the directors of the group are beneficial shareholders of the vendor	23 January 2015	–	R85 263 828	–	Loan from Arrowhead Properties: R85 263 828	R89 100 000	None	Not obtainable	Not obtainable	Not obtainable
4	Bree Street Rental enterprise	Indluplace	Consolidated Urban Acquisitions 1 CC and Sapphire Cove Inv 17 CC	Unit 205, 2nd Floor, 64 Wrenrose Avenue, Birdhaven	Not obtainable, however, none of the directors of the group are beneficial shareholders of the vendor	1 March 2015	–	Sapphire Cove Inv 17 CC – R7 500 000 Consolidated Urban Acquisitions 1 CC – R48 200 000	–	Loan from Arrowhead Properties: R57 000 000	R57 000 000	None	Not applicable	Not applicable	Not obtainable

Consideration (R)

No. asset acquired	Name and nature of the entity which acquired the asset	Name of vendor	Address of vendor	Names of beneficial shareholders of vendor*	Date of acquisition by Indluplace and/ or its subsidiary ² securities	Issue of securities	Cash portion	Other	Loans incurred to finance acquisition*	Valuation for	Goodwill/ intangible assets paid in which accounted for	Date of acquisition by the vendor within preceding three years) ³	Cost of asset purchased within preceding three years) ⁴	Amount paid for goodwill by vendor†
5	Highveld View Rental enterprise	Zotec Developments Proprietary Limited	1st Floor, Waterfall Office Park, Bekker Street, Midrand	Central Development West Proprietary Limited	2 April 2015	-	R286 500 000	-	Loan from Arrowhead Properties: R286 500 000	R290 500 000	None	Not applicable	Not applicable	Not obtainable
6	Jika 1 property portfolio rental enterprises and property owning companies	Jika Properties Proprietary Limited	7th Floor, Anchor House, 100 Juta Street, Braamfontein	Stanius Investments (Pty) Ltd, Amber Falcon Properties 185 (Pty) Ltd, Old Mutual Life Assurance Company (South Africa) Ltd	Varies 1 April to 13 June 2014	-	R354 040 559	-	The Jika 1 acquisition was financed by Arrowhead Properties on loan account to Indluplace	R3645 110 000	None	Acquired in 2012 ⁵	R1 930 000 ⁶	Not obtainable
7	Jika 2 property portfolio Rental enterprises and property owning companies	Citiq and Amber Falcon Proprietary Limited	7th Floor, Anchor House, 100 Juta Street, Braamfontein	Stanius Investments (Pty) Ltd, Amber Falcon Properties 185 (Pty) Ltd, Old Mutual Life Assurance Company (South Africa) Ltd, First European Finance Investment Ltd, Mayflower Investments (Pty) Ltd, Reginal Lionel Lasker	1 April 2015	-	R545 013 916	-	Loan from The Standard Bank of South Africa: R400 000 000	R522 320 000	None	5 December 2012, 11 May 2012, 1 May 2012, 21 June 2013, 12 April 2012 ⁵	Aggregate of R73 516 000 ⁶	Not obtainable
8	Germiston property portfolio Rental enterprise	Friedshel 322 Proprietary Limited/ Unlocked Properties 3 Proprietary Limited	Corner of Katherine and Wierda Roads, Sandown	Malewell Proprietary Limited, Mafadi Proprietary Limited, Ixonix Proprietary Investments Proprietary Limited, Oblitex Proprietary Limited, Friedshel 1377 Proprietary Limited, Mafadi Property Management	1 March 2015	-	R71 299 145	-	Loan from Arrowhead Properties: R71 299 145	R71 000 000	None	9 July 2013 and 26 December 2014	Aggregate of R27 003 500 ⁶	Not obtainable

		Consideration (R)													
No. asset acquired	Name and nature of the asset	Entity which acquired the asset	Name of vendor	Address of vendor	Names of beneficial shareholders of vendor [†]	Date of acquisition by Indluplace and/or its subsidiary [‡] securities	Issue of securities	Cash portion	Other	Loans incurred to finance acquisition [*]	Valuation	Goodwill/ intangible assets paid in which accounted for	Date of acquisition by the vendor to which preceding three years) [‡]	Cost of asset to vendor (if purchased within preceding three years) [‡]	Amount paid for goodwill by vendor [†]
9	Connaught portfolio Rental enterprises	Indluplace	Connaught Properties Proprietary Limited	c/o Marais & Alcock, 213 Rondebult Rd, Farrar Park, Boksburg	Unknown	1 November 2015	2 100 000 @ R10.00 per share	R399 000 000	–	Capital raise	R420 000 000	–	–	n/a	n/a
10	Prime Portfolio	Indluplace	SJMC Property Proprietary Limited	82 Strand Street Woodstock Cape Town	Unknown	1 November 2015	–	R69 000 000	–	Capital raise	R69 400 000	–	n/a	n/a	n/a
11	Entire issued share capital of Diluculo Properties Proprietary Limited	Indluplace	Diluculo Investments Proprietary Limited	15 Alice Lane Sandton, Johannesburg	n/a	1 July 2017	–	R475 000 000	–	Capital raise	R475 000 000	–	n/a	n/a	n/a

[†] The date of acquisition by the vendor; the cost of the asset to the vendor; the names of the beneficial shareholders of the vendor and the amount paid for goodwill by each vendor could not be obtained as the vendor declined to provide such information.

[‡] All dates in the table above reflect the effective date of the transaction.

^{*} This information has been obtained from a Windeed Deeds Office Search ("Windeed").

INDLUPLACE SHARE CAPITAL

The authorised and issued share capital of Indluplace as at the last practicable date is as follows:

<i>Authorised</i>	
3 000 000 000 ordinary share of no par value each	–
<i>Issued</i>	
289 209 449 ordinary shares of no par value each	–
Stated capital	R2 290 271 465
Total issued	R2 290 271 465

No shares are held in treasury.

The authorised and issued share capital of Indluplace after the implementation of the specific issue, assuming 77 740 439 Indluplace shares are issued at R10.73 per share, is as follows:

<i>Authorised</i>	
3 000 000 000 ordinary shares of no par value each	–
<i>Issued</i>	
367 276 364 ordinary shares of no par value each	–
Stated capital	R3 084 176 622
Total issued	R3 084 176 622

No shares will be held in treasury pursuant to the implementation of the specific issue and placements.

On the assumption that the specific issue is implemented, the authorised and issued share capital of Indluplace after the implementation of the specific repurchase, is as follows:

<i>Authorised</i>	
3 000 000 000 ordinary shares of no par value each	–
<i>Issued</i>	
352 780 468 ordinary shares of no par value each	–
Stated capital	R3 069 680 726
Total issued	R3 069 680 726

Rights attaching to shares:

All the authorised and issued shares are of the same class and rank pari passu in every respect and accordingly, no shares have any special right to dividends, capital or profits or any other right, including redemption rights and rights on liquidation or distribution of capital assets.

Any variation in rights attaching to shares will require the consent of shareholders in a general meeting in accordance with the company's memorandum of incorporation.

Only such members that are registered in the company's register on the day when a distribution is declared or on such other day as may be determined by the board as the record date for the distribution, will be entitled to receive the distribution so declared.

Shares issued by Indluplace in the three years prior to the last practicable date:

Reason for issue	Date	Shares issued
Initial subscription	December 2013	100
Issue to Arrowhead	May 2015	135 793 540
Issue on listing	June 2015	40 000 000
Issue in terms of Indluplace share purchase and option scheme	September 2015	17 579 363
Issue of shares for cash	October 2015	238 095
Vendor consideration placement	October 2015	44 523 809
Issue to vendor	January 2016	2 100 00
Issue in terms of Indluplace share purchase and option scheme	November 2016	1 710 860
Bookbuild	June 2017	47 263 682
Total issued		289 209 449

VOLUME AND VALUE OF INDLUPLACE SHARES TRADED ON THE JSE

Period	High (cents)	Low (cents)	Close (cents)	Volume	Value(R)
Monthly					
2016					
September	1 021	900	925	5 165 769	50 125 791
October	990	911	920	6 441 714	58 332 215
November	990	920	942	3 374 368	31 559 800
December	1 050	942	1 050	701 528	7 036 489
2017					
January	1 050	980	1 030	2 560 973	26 173 359
February	1 200	1 030	1 150	2 576 726	27 688 247
March	1 180	1 046	1 135	6 531 016	71 053 827
April	1 135	990	1 030	409 213	4 217 715
May	1 050	950	1 049	1 135 524	11 739 880
June	1 050	950	1 020	681 077	6 815 385
Daily					
2017					
3 July	1 070	1 060	1 060	30 370	323 463
4 July	1 035	1 035	1 035	5 191	53 726
5 July	1 030	1 010	1 010	48 475	493 786
6 July	1 030	1 020	1 020	10 387	106 086
7 July	1 010	1 010	1 010	1 773	17 907
10 July	1 010	1 010	1 010	1 900	19 190
11 July	1 010	1 010	1 010	330	3 333
12 July	1 010	1 010	1 010	–	–
13 July	1 010	1 010	1 010	–	–
14 July	1 010	1 000	1 000	29 776	299 027
17 July	1 000	1 000	1 000	6 600	66 000
18 July	1 000	991	991	83 602	836 019
19 July	1 000	1 000	1 000	17 400	174 000
20 July	1 000	1 000	1 000	4 000	40 000
21 July	1 000	1 000	1 000	–	–
24 July	1 000	1 000	1 000	1 600	16 000
25 July	1 000	990	998	27 903	278 506
26 July	998	990	990	23 759	236 032
27 July	995	980	980	11 780	115 558
28 July	995	951	990	2 702	26 840
31 July	990	950	960	42 105	405 935
1 August	990	960	989	42 890	422 933
2 August	989	989	989	–	–
3 August	985	985	985	3 800	37 430
4 August	985	985	985	21 786	214 592
7 August	985	961	961	15 772	154 263
8 August	985	985	985	2 000	19 700
10 August	985	965	985	34 577	339 813
11 August	985	965	975	101 077	975 561
14 August	974	974	974	2 028	19 752
15 August	966	965	965	196 176	1 893 382
16 August	989	989	989	1 500	14 835
17 August	1 000	990	999	30	298
18 August	1 000	970	1 000	5 466	53 032

LIST OF TRANSACTIONS AGREEMENTS

INDLUPLACE/BUFFET TRANSACTION AGREEMENTS:
THE FIRST PORTFOLIO TRANSACTIONS
ENTITY

1	UNLOCKED PROPERTIES 6 PROPRIETARY LIMITED	<p>Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 6 Proprietary Limited, Mafadi Property Management Proprietary Limited, Malewell Investments Proprietary Limited and Centennial Trading Company 173 Proprietary Limited</p> <p>Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 6 Proprietary Limited, Mafadi Property Management Proprietary Limited, Malewell Investments Proprietary Limited and Centennial Trading Company 173 Proprietary Limited</p>
2	UNLOCKED PROPERTIES 10 PROPRIETARY LIMITED	<p>Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 10 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, Anton Hartmann Consulting CC and JSL Investments Proprietary Limited</p> <p>Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 10 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, Anton Hartmann Consulting CC and JSL Investments Proprietary Limited</p>
3	UNLOCKED PROPERTIES 11 PROPRIETARY LIMITED	<p>Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 11 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, the T3 Share Trust and JSL Investments Proprietary Limited</p> <p>Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 11 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, the T3 Share Trust and JSL Investments Proprietary Limited</p>
4	UNLOCKED PROPERTIES 12 PROPRIETARY LIMITED	<p>Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 12 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, Centennial Trading Company 173, JSL Investments Proprietary Limited, Anton Hartmann Consulting C, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane</p> <p>Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 12 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, Centennial Trading Company 173, JSL Investments Proprietary Limited, Anton Hartmann Consulting C, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane</p>
5	UNLOCKED PROPERTIES 13 PROPRIETARY LIMITED	<p>Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 13 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, JSL Investments Proprietary Limited, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane</p> <p>Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 13 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, JSL Investments Proprietary Limited, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane</p>

INDLUPLACE/BUFFET TRANSACTION AGREEMENTS:**THE FIRST PORTFOLIO TRANSACTIONS****ENTITY**

6	UNLOCKED PROPERTIES 14 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 14 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, JSL Investments Proprietary Limited, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 14 Proprietary Limited, Rubprop 18 Proprietary Limited, Malewell Investments Proprietary Limited, JSL Investments Proprietary Limited, Patrick Rory Gilbride and Modicai Mthobisi Mnculwane
7	UNLOCKED PROPERTIES 21 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 21 Proprietary Limited and Mafadi Property Management Proprietary Limited Share Purchase Agreement between Friedshelf 1781, Indluplace, Unlocked Properties 21 Proprietary Limited and Mafadi Property Management Proprietary Limited
8	YIELDEX 1 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Yieldex 1 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited Share Purchase Agreement between Friedshelf 1781, Indluplace, Yieldex 1 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited
9	YIELDEX 4 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Yieldex 4 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited Share Purchase Agreement between Friedshelf 1781, Indluplace, Yieldex 4 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited
10	YIELDEX 7 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Yieldex 7 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited Share Purchase Agreement between Friedshelf 1781, Indluplace, Yieldex 7 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited
11	YIELDEX 10 PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Yieldex 10 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited Share Purchase Agreement between Friedshelf 1781, Indluplace, Yieldex 10 Proprietary Limited, Malewell Investments Proprietary Limited, Yieldex Proprietary Limited and Ann Arbor Proprietary Limited
12	IXONIX PROPRIETARY LIMITED	Subscription Agreement between Friedshelf 1781, Indluplace, Ixonix Proprietary Limited, Malewell Investments Proprietary Limited, Construct Capital Proprietary Limited, Standout Properties Proprietary Limited, The T3 Share Trust, Rubprop 18 Proprietary Limited, JSL Investments Proprietary Limited and Ilan Subotzky Share Purchase Agreement between Friedshelf 1781, Indluplace, Ixonix Proprietary Limited, Malewell Investments Proprietary Limited, Construct Capital Proprietary Limited, Standout Properties Proprietary Limited, The T3 Share Trust, Rubprop 18 Proprietary Limited, JSL Investments Proprietary Limited and Ilan Subotzky

INDLUPLACE/BUFFET TRANSACTION AGREEMENTS:**THE FIRST PORTFOLIO TRANSACTIONS****ENTITY**

	Loan Agreement between Buffet Investment Services Proprietary Limited and Friedshelf 1781 Proprietary Limited
	Subscription Agreement between Friedshelf 1781, Indluplace, Lisam Property Proprietary Limited, Ringgold Investments 437 Proprietary Limited, Malewell Investments Proprietary Limited, Ryan White, Clifford Jason Kupritz and Daryl Furman
13	BUFFSHELFCO 7 PROPRIETARY LIMITED Share Purchase Agreement between Friedshelf 1781, Indluplace, Lisam Property Proprietary Limited, Ringgold Investments 437 Proprietary Limited, Malewell Investments Proprietary Limited, Ryan White, Clifford Jason Kupritz and Daryl Furman
	Sale of Rental Enterprise Agreement between Friedshelf 1781, Lispropco 2 Proprietary Limited and Buffshelfco 7 Proprietary Limited
	Discharge Agreement between Friedshelf 1781, Lispropco 2 Proprietary Limited, Buffshelfco 7 Proprietary Limited and Buffet Investment Services Proprietary Limited
14	FIRST RESIDENTIAL PROJECT PROPRIETARY LIMITED Subscription Agreement between Friedshelf 1781, Indluplace and Convertible Dementia Proprietary Limited
	Share Purchase Agreement between Friedshelf 1781, Indluplace and Convertible Dementia Proprietary Limited

THE SECOND PORTFOLIO TRANSACTIONS

1	AMBERFIELD The second portfolio transactions Disposal agreements between Propsy 2 Proprietary Limited and Indluplace
2	PARK VILLAGE Disposal agreements between Propsy 4 Proprietary Limited and Indluplace.

THE THIRD PORTFOLIO TRANSACTIONS – TRANCHE 1**PROPERTY**

1	RHODESFIELD Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 63 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 63 Trust
2	CRANBOROUGH MEWS Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
3	ROTHCHILD MANOR Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
4	UPPER EAST SIDE Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust

THE THIRD PORTFOLIO TRANSACTIONS – TRANCHE 1

PROPERTY

5	VILLA MIA	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
6	RAND PRESIDENT	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
7	SUMMER PLACE	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
8	LOGANS VIEW	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
9	SUNSET VIEW	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
10	KILIMANJARO	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
11	JACSONS COVE	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
12	SPARROW HAWK	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
13	KEMPTON PARK	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 74 Trust

THE THIRD PORTFOLIO TRANSACTIONS – TRANCHE 2

PROPERTY

1	NOORDHEUWEL	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust
2	GERMISTON	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
3	WATERFRONT	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 62 Trust
4	ARCHES	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
5	CEDAR VALLEY	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
6	WW AND HUNT	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
7	MARIA MANSIONS	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
		Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust

THE THIRD PORTFOLIO TRANSACTIONS – TRANCHE 2

PROPERTY

	Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
8	ROBWILL MANSIONS Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
9	SPRINGBOK COURT Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 92 Trust
10	SURREY Disposal Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust Loan Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust Placement and Underwriting Agreement between Indluplace and the trustees for the time being of the Buffshelf 51 Trust

OTHER AGREEMENT

- 1 Loan and Subscription Agreement between Buffet Trustees Proprietary Limited and Indluplace
 - 2 Right of First Refusal Agreement between Indluplace and Unlocked Properties 2 Proprietary Limited, Unlocked Properties 5 Proprietary Limited, Unlocked Properties 7 Proprietary Limited, Unlocked Properties 8 Proprietary Limited, Unlocked Properties 15 Proprietary Limited, Unlocked Properties 20 Proprietary Limited, Buffshelf 52 Trust, JJMC Property CC, Yieldex 11 Proprietary Limited, Yieldex 12 Proprietary Limited, Yieldex 13 Proprietary Limited and Yieldex 14 Proprietary Limited
 - 3 Fynbos Guarantee between the Trustees for the time being of the Fynbos Trust, Indluplace and Friedshelf 1781
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INDLUPLACE
DWELLING ON RESIDENTIAL

Indluplace Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06)
JSE share code: "ILU" ISIN: ZAE000201125
APPROVED AS A REIT BY THE JSE
("Indluplace" or "the company")

Directors of the company

Executive directors

Carel de Wit (*CEO*)
Terry Kaplan (*Financial director*)
Imraan Suleman
Mark Kaplan

Non-executive directors

Taffy Adler (*Chairman*)
Selwyn Noik

Independent non-executive directors

Gregory Kinross (*Lead independent director*)
Clifford Abrams
Ayesha Rehman

NOTICE OF GENERAL MEETING OF INDLUPLACE SHAREHOLDERS

Notice is hereby given that a general meeting of Indluplace shareholders will be held at 1 Sturdee Avenue, Rosebank, 2196 at 10:00 on Wednesday, 27 September 2017 (the "**general meeting**") for the purposes of considering and, if deemed fit, passing, with or without modification, the resolution set out in this notice.

The terms defined in the circular with which this notice of meeting is enclosed ("circular") shall bear the same meanings in this notice of meeting and in particular in the resolutions referred to below.

All meeting participants, including proxies, will be required to provide identification reasonably satisfactory to the chairman of meeting (which may take the form of valid identity documents, driver's licenses or passports, for example)..

2017

Record date to be entitled to receive the notice of the general meeting	Friday, 18 August
Last day to trade to be entitled to participate in and vote at the general meeting	Tuesday, 19 September
Record date to be entitled to participate in and vote at the general meeting	Friday, 22 September

ORDINARY RESOLUTION 1 – Approval of the transactions

"**RESOLVED THAT** the transactions on the terms and subject to the conditions set out in the circular be and is hereby approved. Any one of the directors of Indluplace be and is hereby authorised to do all things and sign all documents requirement to give effect to and implement the transactions."

In order for ordinary resolution 1 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy is required."

ORDINARY RESOLUTION 2 – Specific authority to issue shares for cash

“**RESOLVED THAT** subject to ordinary resolution 1 being passed by the requisite majority of shareholders, the directors are authorised to allot and issue up to 22 440 285 new shares in the authorised but unissued share capital of the company in terms of the loan and subscription agreement and, as detailed in paragraphs 3.4.3 and 3.5 of the circular, and that any one of the directors of Indluplace be and is hereby authorised to do all things and sign all documents required to give effect to and implement such issue.”

In terms of the Listings Requirements, in order for ordinary resolution 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.”

ORDINARY RESOLUTION 3 – Signature of documentation

“**RESOLVED THAT** any director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolutions 1, 2 and 3 and special resolutions 1, 2, 3, 4, 5 and 6 passed at this general meeting subject to the terms thereof.”

In order for ordinary resolution 3 to be adopted, the support of more than 50% of the total number of votes exercisable by shareholders, present in person or by proxy is required.

SPECIAL RESOLUTION 1 – Specific authority to repurchase shares

“**RESOLVED THAT,** subject to ordinary resolution 1 being passed, the company (and any of its subsidiaries) be and is hereby authorised, by way of a special resolution and a specific authority (both as contemplated), in terms of the Listings Requirements, to repurchase up to 14 495 896 Indluplace ordinary shares, to the extent that it may be required to do so in terms of the placement and underwriting agreements, and at the minimum price per share contemplated in the placement and underwriting agreements, and that any one of the directors of Indluplace be and is hereby authorised to do all things and sign all documents required to give effect to and implement the such repurchase.”

Reason for and effect of special resolution 1

The company would like the ability to acquire 14 495 896 shares from any vendor that received shares in respect of the transactions, in accordance with the placement and underwriting agreement.

In terms of the Listings Requirements, in order for special resolution 1 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.”

SPECIAL RESOLUTION 2 – Provision of financial assistance

“**RESOLVED THAT,** subject to ordinary resolution 1 being passed, and as a special resolution in terms section 44 of the Companies Act, the Board may authorise the company, to provide financial assistance as contemplated section 44 of the Companies Act, by way of the arrangements contemplated in the loan and subscription agreement.”

Reason for and effect of special resolution number 2

In terms of loan and subscription agreement the company will advance to Buffet Trustees a loan to enable it to subscribe for new Indluplace shares. Such loan constitutes financial assistance as contemplated in section 44 of the Companies Act and must be approved by way of a special resolution.

In order for special resolution 2 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy is required.”

SPECIAL RESOLUTION 3 – General provision of financial assistance

“**RESOLVED THAT,** as a special resolution, the Board may authorise the Company, for a period of two years from the date on which this resolution is passed, to generally provide any direct or indirect financial assistance in the manner contemplated in and subject to the provisions of section 44 of the Companies Act, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or interrelated to the Company and/or to a member of a related or interrelated company or corporation, pursuant to the authority hereby conferred upon the Board for these purposes.”

Reason for and effect of special resolution number 3

The company would like the ability to provide financial assistance in appropriate circumstances, and if the need arises, in accordance with section 44 of the Companies Act. This authority is necessary for the company to provide financial assistance in appropriate circumstances. Under the Companies Act, if such authority has been granted, the Board of Directors of the company must be satisfied that the terms under which the particular financial assistance is proposed to be given are fair and

reasonable to the company and that, immediately after providing the particular financial assistance, the company would satisfy the solvency and liquidity test contemplated in the Companies Act. In the circumstances and in order to, *inter alia*, ensure that the company's subsidiaries and other related and interrelated companies and corporations have access to financing and/or financial backing from the company, it is necessary to obtain this authority from shareholders.

Therefore, the reason for and effect of special resolution number 3 is to permit the Company to provide direct or indirect financial assistance (within the meaning attributed to that term in section 44 of the Companies Act).

In order for special resolution 3 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required."

SPECIAL RESOLUTION 4 – Authorisation to issue more than 30% of the issued share capital of Indluplace

"RESOLVED THAT, subject to the passing of ordinary resolutions number 1, the issue of shares in the authorised but unissued share capital of the company in order to discharge the Company's obligations to issue shares under the transactions and/or to undertake any placements is hereby approved, as required in terms of section 41(3) of the Companies Act, to the extent that such approval may be required by virtue such new shares having voting rights of 30% or more of the voting rights of all the shares in issue immediately before the issue of such new shares.

Reason for and effect of special resolution number 4

The reason for and effect of special resolution number 4 is to authorise the issue of Indluplace shares which have voting rights equal to or in excess of 30% of the voting rights of all Indluplace shares immediately prior to the issue in terms of sections 41(3), to the extent that this may be required for the purposes of the implementation of the transactions."

In order for special resolution 4 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

SPECIAL RESOLUTION 5 – Authorisation to issue shares to persons related or inter-related to the company

"RESOLVED THAT, subject to the passing of ordinary resolution number 1, and as required in terms of section 41(1) of the Companies Act, the directors be and are hereby authorised, should they deem it appropriate to do so as part of any placement, to issue of shares in the authorised but unissued share capital of the company to Arrowhead Properties Limited and/or any other person related or inter-related to the company (or a nominee of any of the foregoing persons), at the same price per share as that upon which shares may be issued to institutional investors in terms of the applicable placement."

Reason for and effect of special resolution number 5

The reason for and effect of special resolution number 5 is to authorise the possible issue of Indluplace shares to Arrowhead Properties Limited and/or any other person related or inter-related to the company (or a nominee of any of the foregoing persons, as part of any placements undertaken by the company in connection with the transactions, as required by section 41(1) of the Companies Act.

In order for special resolution 5 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

SPECIAL RESOLUTION 6 – Authorisation to issue shares to directors and related persons

"RESOLVED THAT, in accordance with section 41(1) of the Companies Act, the issue by the company of shares to any director, future director, prescribed officer or future prescribed officer of the Company, or to a person related or inter-related to a director or prescribed officer of the Company, or to any nominee of such person, (i) in terms of the placements, at the same price and on the same terms as those upon which shares are issued to other investors in terms of the placements, and/or (ii) in terms of any other subsequent placement, offer, book-build or similar capital raising, at the same price and at the same terms as those upon which shares are issued to other investors in terms of such capital raising, be and is hereby approved.

Reason for and effect of special resolution number 6

The reason for and effect of special resolution number 6 is to authorise the possible issue of shares in terms of the placements and/or subsequent capital raisings if and to the extent that such shares are issued to directors of the company and related persons.

In order for special resolution 6 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required.

Quorum:

A quorum for the purposes of considering the ordinary resolutions above shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, the representative of the body corporate) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all voting rights entitled to be exercised by shareholders in respect of the resolutions above.

Voting:

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

In order for ordinary resolutions number 1 to be adopted, the support of more than 50% of the total number of votes exercised by shareholders on the resolution is required. In order for special resolutions number 1 to 4 to be adopted, the support of at least 75% of the total number of votes exercised by shareholders on the resolution is required.

Form of proxy:

A form of proxy is attached for the convenience of any Indluplace shareholder holding certificated shares who cannot attend the general meeting of shareholders or who wishes to be represented thereat. Forms of proxy may also be obtained on request from Indluplace' registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107). Any Indluplace shareholder who completes and lodges a form of proxy prior to the commencement of the meeting will nevertheless be entitled to attend and vote in person at the general meeting should the shareholder subsequently decide to do so.

Dematerialised shareholders who have elected "own-name" registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the general meeting must complete and return the attached form of proxy in accordance with the instructions contained therein and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank (PO Box 61051, Marshalltown, 2107).

Dematerialised shareholders, who have not elected "own-name" registration in the sub-register through a CSDP and who wish to attend the general meeting must instruct their CSDP or broker to issue them with a letter of representation.

Dematerialised shareholders who have not elected "own-name" registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the general meeting should ensure that the person or entity (such as a nominee) whose name has been entered into the sub-register maintained by a CSDP or broker completes and returns the attached forms of proxy (*blue*) in terms of which they appoint a proxy to vote at the general meeting.

By order of the board

Terry Kaplan

Director

Indluplace Properties Limited

Registered address

Second Floor, 18
Melrose Boulevard
Melrose Arch
Johannesburg
2196
(PO Box 685, Melrose Arch, Melrose, 2076)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue, Rosebank,
Johannesburg, 2196
(PO Box 61051, Marshalltown, 2107)



INDLUPLACE
DWELLING ON RESIDENTIAL

Indluplace Properties Limited

(Incorporated in the Republic of South Africa)
(Registration number 2013/226082/06)
JSE share code: "ILU" ISIN: ZAE000201125
("Indluplace" or "the company")

Directors of the company

Executive directors

Carel de Wit (CEO)
Terry Kaplan (Financial director)
Imraan Suleman
Mark Kaplan

Non-executive directors

Taffy Adler (Chairman)
Selwyn Noik

Independent non-executive directors

Gregory Kinross (Lead independent director)
Clifford Abrams
Ayesha Rehman

FORM OF PROXY – GENERAL MEETING OF INDLUPLACE SHAREHOLDERS

For use by shareholders, who were registered as shareholders on Friday, 22 September 2017, holding certificated Indluplace shares, dematerialised shareholders who have elected "own-name" registration, nominee companies of CSDP's and brokers nominee companies ("shareholders"), at the general meeting of shareholders to be held at 10:00 on Wednesday, 27 September 2017 at 1 Sturdee Avenue, Rosebank, 2196.

Not for use by dematerialised shareholders who have not elected "own-name" registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the general meeting and request that they be issued with the necessary letter of representation to do so, or provide the CSDP or broker timeously with their voting instruction should they not wish to attend the general meeting in order for the CSDP or broker to vote in accordance with their instructions at the general meeting.

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (Address)

Telephone number: ()

Cell phone number: ()

Email address:

being the holder(s) of shares in Indluplace, hereby appoint:

- or failing him/her
- of failing him/her
- the chairperson of the general meeting of Indluplace shareholders as my/our proxy to attend and speak and to vote for me/us on my/our behalf at the general meeting and at any adjournment thereof in the following manner:

	Number of votes		
	*For	*Against	*Abstain
Ordinary resolution 1 – Approval of the transactions			
Ordinary resolution 2 – Specific authority to issue shares for cash			
Ordinary resolution 3 – Signature of documentation			
Special resolution 1 – Specific authority to repurchase shares			
Special resolution 2 – Specific provision of financial assistance			
Special resolution 3 – General provision of financial assistance			
Special resolution 4 – Authority to issue more than 30% of issued share capital			
Special resolution 4 – Authority to issue shares to persons related or inter-related to the company			
Special resolution 6 – Authority to issue shares to directors and related parties			

*Mark "For", "Against" or "Abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signature

Assisted by me (where applicable)

(State capacity and full name)

An Indluplace shareholder entitled to attend and vote at the abovementioned general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of Indluplace.

Forms of proxy must be deposited at Computershare South Africa Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, (PO Box 61051, Marshalltown, 2107).

Please read the notes on the reverse side hereof.

NOTES:

1. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
2. Shareholders that are certificated or own-name dematerialised shareholders, entitled to attend and vote at the general meeting may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting", but any such deletion must be initialled by the shareholder(s). Such proxy/ies may participate in, speak and vote at the general meeting in the place of that shareholder at the general meeting. The person whose name stands first on this form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. If no proxy is named on a lodged form of proxy the chairperson shall be deemed to be appointed as the proxy.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy, in the case of any proxy other than the chairman, to vote or abstain from voting as deemed fit and in the case of the chairman to vote in favour of the resolution.
4. A shareholder or his/her proxy is not obliged to use all the votes exercisable by the shareholder, but the total of the votes cast or abstained may not exceed the total of the votes exercisable in respect of the shares held by the shareholder.
5. A shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy, and to Indluplace. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting, notwithstanding the death of the person granting it or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death or transfer is received by the transfer secretaries not less than 48 hours before the commencement of the general meeting.
7. The chairman of the general meeting may reject or accept any form of proxy which is completed and/or received, otherwise than in compliance with these notes, provided that, in respect of acceptances, the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
8. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
9. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by Indluplace or the transfer secretaries or waived by the chairman of the general meeting.
10. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Indluplace or the transfer secretaries.
11. Where there are joint holders of shares, the vote of the first joint holder who tenders a vote, as determined by the order in which the names stand in the register of shareholders, will be accepted and only that holder whose name appears first in the register in respect of such shares need to sign this form of proxy.

