



CIRCULAR TO EQUITES SHAREHOLDERS
ACQUISITION OF INTAPROP

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions commencing on page 7 of this circular have, where appropriate, been used on this 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 Equites shares, then this circular, together with the attached form of proxy, should be handed to the purchaser of such Equites shares or to the broker, CSDP, banker or other agent through whom the disposal was effected.

Beneficial shareholders who hold dematerialised Equites 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.

Equites shareholders are referred to page 6 of this circular, which sets out the detailed action required of them in respect of the transaction set out in this circular.

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



EQUITES PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
JSE share code: EQU ISIN: ZAE000188843
(Approved as a REIT by the JSE)
(**"Equites"** or **"the company"**)

CIRCULAR TO EQUITES SHAREHOLDERS

relating to:

- **the proposed acquisition by Equites of all of the shares and claims in Intaprop;**

and enclosing:

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

Corporate advisor and sponsor

JAVACAPITAL

Legal advisor



Independent property valuer



Independent reporting accountants

MOORE STEPHENS
CHARTERED ACCOUNTANTS (SA)

Date of issue: 29 July 2015

This circular is available in English only. Copies of this circular may be obtained from the registered offices of Equites and from the transfer secretaries during normal office hours from Wednesday, 29 July 2015 to Monday, 31 August 2015. The circular will also be available on the website of the company (www.equites.co.za) as from Wednesday, 29 July 2015.

CORPORATE INFORMATION

Registered address of the company

Equites Property Fund Limited
(Registration number 2013/080877/06)
14th Floor
Portside Building
4 Bree Street
Cape Town, 8000
(PO Box 10271, Cape Town, 8000)

Corporate advisor

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

Company secretary

Riaan Gous
c/o Equites Property Fund Limited
14th Floor
Portside Building
4 Bree Street
Cape Town, 8000
(PO Box 10271, Cape Town, 8000)

Independent reporting accountants

Moore Stephens Cape Town Inc
Chartered Accountants S.A.
(Registration number 2002/031472/21)
The Gateway, 3rd and 4th Floor
Century Way, Century City, 7441
(PO Box 1955, Cape Town, 8000)

Transfer secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

Place and date of incorporation

Incorporated in South Africa on 20 May 2013

Registered address of Intaprop

Intaprop Proprietary Limited
60 Cradock Avenue
Dunkeld
Johannesburg, 2196
(PO Box 1341, Parklands, 2121)

Independent property valuer

Mills Fitchet Magnus Penny (Proprietary) Limited
(Registration number 1996/004736/07)
Suite 303, 3rd Floor, Newspaper House, 122 St.
George's Mall, Cape Town, 8001
(PO Box 4442, Cape Town, 8000)

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)

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IMPORTANT DATES AND TIMES FOR THE TRANSACTION

2015

Last day to trade to be entitled to receive the circular	Friday, 17 July
Record date to be entitled to receive this circular	Friday, 24 July
Circular posted to Equites shareholders on	Wednesday, 29 July
Announcement of posting of circular and notice of general meeting on SENS on	Wednesday, 29 July
Announcement of posting of circular and notice of general meeting in the press on	Thursday, 30 July
Last day to trade in order to attend and vote at the general meeting	Friday, 14 August
Record date in order to be eligible to attend and vote at the general meeting	Friday, 21 August
Receipt of forms of proxy in respect of the general meeting of Equites shareholders by 10:00 on	Thursday, 27 August
The general meeting to be held at 10:00 on	Monday, 31 August
Results of the general meeting and finalisation announcement released on SENS on	Monday, 31 August
Results of the general meeting and finalisation announcement published in the press on	Tuesday, 1 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. Equites shareholders are referred to page 6 of this circular for information on the action required to be taken by them.

ACTION REQUIRED BY EQUITES SHAREHOLDERS

The definitions commencing on page 7 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 Equites 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 DEMATERIALIZED YOUR EQUITES SHARES AND DO NOT HAVE "OWN NAME" REGISTRATION

1.1. Voting at the general meeting

If your dematerialised Equites shares are not recorded in your own name in the electronic sub-register of Equites, 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 Equites 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 DEMATERIALIZED YOUR EQUITES SHARES OR IF YOU HAVE DEMATERIALIZED EQUITES 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 Equites or the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000), to be received by no later than Thursday, 27 August 2015. 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

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.

"acquisition agreement"	the agreement concluded on 28 May 2015 and as amended by the addendum between Equites and the vendors in terms of which Equites is acquiring the shares and claims in Intaprop;
"all other transactions"	collectively, the Brait transaction, the price adjustment mechanisms and the specific arrangements;
"board" or "directors"	board of directors of Equites;
"Brait Mauritius"	Brait Mauritius Limited (Registration number C60342), a limited liability company duly incorporated in the Republic of Mauritius;
"Brait transaction"	the acquisition by Intaprop of 40% of the issued share capital of Chamber Lane from Brait Mauritius, further details of which are set out in Annexure 13 ;
"business day"	any day, other than a Saturday, Sunday or gazetted public holiday in South Africa;
"certificated Equites shareholders"	holders of certificated Equites shares;
"certificated Equites shares"	Equites shares which have not been dematerialised, title to which is represented by a share certificate or other document of title;
"Chamber Lane"	Chamber Lane Properties 3 Proprietary Limited (registration number 2007/001864/07), a limited liability private company and subsidiary of Intaprop, registered and incorporated in terms of the law of South Africa;
"circular"	this bound document dated 29 July 2015, including the annexures, notice of general meeting and form of proxy, as applicable;
"closing date"	the later of the effective date and the 5 th business day after the last of the conditions precedent has been fulfilled or waived, as the case may be, or such other date as may be agreed between the Equites and the vendors in writing;
"Companies Act" or "the Act"	the Companies Act, 2008 (Act No. 71 of 2008), as amended;
"conditions precedent"	outstanding conditions precedent to the transaction set out in paragraph 4 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;
"debt funding"	any loan or other financial indebtedness (other than in respect of hedges) of any company within the Intaprop group to any bank, financial institution or other debt provider;
"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 Equites shares"	Equites shares which have been through the dematerialisation process;
"dematerialised Equites shareholders"	holders of dematerialised Equites shares;

“developer”	Intaprop Investments (Proprietary) Limited, (Registration number 2007/020175/07), a limited liability private company registered and incorporated in accordance with the laws of the Republic of South Africa;
“documents of title”	share certificates, certified transfer deeds, balance receipts, or any other documents of title to Equites shares;
“effective date”	1 July 2015, or such other date as may be agreed in writing;
“Equites”	Equites Property Fund Limited (Registration number 2013/080877/06), a public company registered and incorporated in terms of the laws of South Africa and listed on the JSE;
“Equites group”	collectively, Equites, its subsidiaries, associates and joint ventures;
“Equites shares”	issued shares in the share capital of Equites, which are listed on the JSE;
“Equites shareholders” or “shareholders”	registered holders of Equites shares;
“excluded companies”	Vaal Mall Developments Proprietary Limited (Registration number 2003/031772/07) and Saldosize Investments Pty Ltd (Registration number 2002/006489/07), being wholly-owned subsidiaries of Intaprop, but are excluded from the transaction;
“Financial Markets Act”	Financial Markets Act, 2012 (Act No. 19 of 2012), as amended or replaced from time to time;
“general meeting”	general meeting of Equites shareholders to be held at 10:00 on Monday, 31 August 2015 at the registered office of Equites (14 th Floor, Portside Building, 4 Bree Street, Cape Town, 8000) for the purpose of considering and if deemed fit, passing of the resolution necessary to implement the transaction;
“hedges”	any fixed interest rate agreement, interest rate swap, interest rate hedge or other derivative instrument to which any company in the Intaprop group may be a party;
“independent property valuer” or “Mills Fitchet”	Mills Fitchet Magnus Penny (Proprietary) Limited (Registration number 1996/004736/07), 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;
“independent reporting accountants” or “Moore Stephens”	Moore Stephens Cape Town Inc (Registration number 2002/031472/21) Chartered Accountants, trading as Moore Stephens, Registered Auditors (Practice number 900908), full details of which are set out in the “Corporate information” section;
“Intaprop”	Intaprop Proprietary Limited (Registration number 2000/022577/07), a limited liability private company registered and incorporated in terms of the laws of South Africa;
“Intaprop group”	collectively, Intaprop, its subsidiaries and associates;
“Intaprop developed properties”	those properties or portions of properties on which property developments have been completed and which are set out in Annexure 8 ;
“Intaprop properties” or “Intaprop portfolio”	collectively, the Intaprop developed properties and the undeveloped properties, and which are set out in Annexure 8 ;
“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, 17 July 2015;
"legal advisor" or "CDH"	Cliffe Dekker Hofmeyr Incorporated (Registration number 2008/018923/21), a personal liability company 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;
"m²"	square metres;
"NAV"	net asset value;
"Nedbank Profit Share Liability"	the amount of approximately R24 000 000 payable by Chamber Lane to Nedbank Limited pursuant to a profit share agreement;
"net working capital"	calculated as current assets (other than undeveloped properties and any assets relating to the accounting adjustment for the straight-lining of rentals) less current liabilities (including provisions), excluding any amount which has been taken into account as part of the amount of debt funding, or the marked-to-market value of hedges;
"press"	Business Day newspaper;
"price adjustment mechanisms"	the price adjustment mechanisms referred to in Annexure 1 ;
"purchase consideration"	the purchase consideration payable by Equites to the vendors for Intaprop, calculated in accordance with paragraph 3.2 of this circular;
"record date"	last day and time for Equites shareholders to be recorded in the register in order to participate in the transaction;
"register"	register of certificated shareholders maintained by Equites 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 ;
"resolutions"	the resolutions proposed in the notice of general meeting, attached to and forming part of this circular;
"SENS"	Stock Exchange News Service of the JSE;
"specific arrangements"	the specific arrangements in respect of certain properties and undeveloped land referred to in Annexure 2 ;
"South Africa"	Republic of South Africa;
"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;

"Township Establishment"	the approval by the Local Authority of the establishment of a township in terms of Section 96 of the Gauteng Town-planning and Townships Ordinance, 15 of 1986 in order to permit the use of the Undeveloped Properties (limited to Meadowview Business Estate) for industrial, warehousing and commercial purposes in terms of Johannesburg Town Planning Scheme, 1979 and includes additional approvals in terms of the National Environmental Management Act, 107 of 1998 and any other relevant legislation;
"transaction"	the proposed acquisition of Intaprop from the vendors;
"transfer secretaries" or "Link Market Services"	Link Market Services South Africa (Proprietary) Limited, (Registration number 2000/007239/07), 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;
"undeveloped properties"	the bulk and undeveloped land set out in Annexure 8 ;
"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
"vendors"	being the shareholders of Intaprop and collectively are, Henlizer Investment Trust, Norman Donald Campbell Whale, Timothy Alexander Middleton, Pendennis Investment Trust, Kingsley Alexander Trust, Archangel Trust, Richentan Familie Trust and Taking Time Trust.



EQUITES PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
JSE share code: EQU ISIN: ZAE000188843
(Approved as a REIT by the JSE)
("Equites" or "the company")

Directors of the company

Leon Campher (*Chairman, Independent non-executive director*)
Giancarlo Lanfranchi (*Deputy chairman, non-independent non-executive director*)
Andrea Taverna-Turisan (*Chief executive officer*)
Bram Goossens (*Executive financial director*)
Riaan Gous (*Chief operating officer*)
Nazeem Khan (*Independent non-executive director*)
Ruth Benjamin-Swales (*Independent non-executive director*)
Kevin Dreyer (*Non-independent non-executive director*)
Johnny Cullum (*Non-independent non-executive director*)

CIRCULAR TO EQUITES SHAREHOLDERS

1. BACKGROUND

- 1.1. As set out in the announcement released on SENS on 29 May 2015, Equites entered into an acquisition agreement with the vendors, in terms of which Equites will acquire all of the shares and claims in Intaprop.
- 1.2. The transaction, which is classified as a Category 1 transaction in terms of the JSE Listings Requirements, requires shareholder approval.
- 1.3. The purpose of this circular is to provide Equites shareholders with information regarding the transaction and to convene a general meeting of Equites shareholders in order to consider and, if deemed appropriate, pass with or without modification, all of the resolutions necessary to implement the transaction.

2. OVERVIEW OF INTAPROP AND RATIONALE FOR THE TRANSACTION

- 2.1. Intaprop is a private property development and investment enterprise, which was founded in 1990. It has a successful track record of developing large scale corporate real estate and has a significant skills base.
- 2.2. The existing property portfolio of Equites comprises predominantly industrial properties which are situated in Cape Town. The merger with Intaprop is consistent with the company's growth strategy of diversifying geographically by focusing on the three major metropolitan areas, being the greater Cape Town, Gauteng and the greater Durban. The Intaprop property portfolio is located in Gauteng and Cape Town and consists primarily of industrial properties and undeveloped industrial land.
- 2.3. The combination of these two portfolios is expected to unlock significant shareholder value through the complementary nature of the property assets, the tenant mix and the geographical spread. The merged entity would further benefit from enhanced growth opportunities, increased diversification by rental income, economies of scale and the reduction in the impact of property specific risks on the performance of the enlarged property portfolio.

3. TERMS OF THE TRANSACTION

3.1. Effective date

The effective date of the transaction is Wednesday, 1 July 2015.

3.2. Purchase consideration

- 3.2.1. The purchase consideration payable for the shares and claims in Intaprop is the sum of:
 - 3.2.1.1. an amount of R1 658 232 767, being the agreed value of the Intaprop developed properties;
 - 3.2.1.2. plus an amount of R231 782 800, being the agreed value of the undeveloped properties, which was calculated at a price of R1 200 per square meter in respect of the undeveloped properties in Meadowview Business Estate and R800 per square meter in respect of undeveloped properties in Saxdown Park, provided that if by the closing date, Township Establishment in respect of any portion of the undeveloped properties situated on Meadowview Business Estate has not been obtained, the price per square meter in respect of such portion will be reduced by an amount of R400 per square metre to R800 per square meter, and the aforementioned agreed value of the undeveloped properties will be reduced accordingly, subject to clause 18 of the acquisition agreement, extracts of which are set out in **Annexure 1**;
 - 3.2.1.3. minus the amount of debt funding as at 30 June 2015;
 - 3.2.1.4. plus (if the amount is positive) or minus (if the amount is negative) the marked-to-market value of all hedges as at 30 June 2015;
 - 3.2.1.5. plus (if the amount is positive) or minus (if the amount is negative) the net working capital of the Intaprop group as at 30 June 2015;

3.2.1.6. minus the amount of any liabilities of the Intaprop group which are not included in the debt funding and the marked-to-market value of any hedges and which are not taken into account in calculating the net working capital, as at 30 June 2015; and

3.2.1.7. plus an amount equal to 50% of any reduction in the Nedbank Profit Share Liability agreed to between Equites and Nedbank Limited; and

is subject to adjustments in accordance with clauses 17, 18 and 19 of the acquisition agreement, extracts of which are set out in **Annexure 1**.

3.2.2. Based on the agreed values of the Intaprop properties, the anticipated Intaprop debt and net working capital on the effective date and other adjustments set out above, as well as the price adjustment mechanism set out in **Annexure 1**, the purchase consideration is currently estimated to be approximately R454 693 00, which will be settled by issuing a total of 37 891 084 new Equites shares at R12.00 per share which represents 33.1% of the issued share capital of Equites.

3.3. Payment of the purchase consideration

3.3.1. The calculation of the purchase consideration, payable on the closing date will be based on the projected management accounts of Intaprop as at 30 June 2015 ("**estimated purchase consideration**").

3.3.2. All risk in and all benefit attaching to the shares and claims will, against payment of the estimated purchase consideration, pass to Equites on the closing date but with commercial effect from the effective date.

3.3.3. Effective date accounts as at 30 June 2015 will be prepared and the purchase consideration will be adjusted if the estimated purchase consideration differs from that as per the effective date accounts.

3.3.4. On the closing date, Equites will issue such number of Equites shares at an issue price of R12.00 per share ("**consideration shares**") which have an aggregate value equal to 90% of the estimated purchase consideration with the balance to be issued at an issue price of R12.00 per share following finalisation of the effective date accounts, subject to any adjustment thereof and provided further that if there is a downward adjustment greater than the outstanding portion of the purchase consideration, the difference will be refunded to Equites, firstly from the proceeds of certain consideration shares pledged back by the vendors to Equites as security for certain of their obligations under the acquisition agreement, and the balance, if any, in cash.

3.3.5. On the closing date the vendors will pay Intaprop any amounts of any nature which may then be owing by the vendors to Intaprop.

3.4. Equites clean-out distribution

3.4.1. Equites will, in addition to the regular dividend distribution of its net income for the 6 month distribution period ended 28 February 2015, declare an interim dividend distribution in an amount equal to all of its net income for the period commencing on 1 March 2015 and ending on the day before the effective date.

3.4.2. Accordingly, the consideration shares issued in settlement of the purchase consideration will not rank for participation in the Equites clean-out distribution.

3.5. Intaprop pre-closing distributions

- 3.5.1. Intaprop will be entitled, but not obliged to declare as a distribution to the vendors, any accumulated revenue profits of Intaprop for the period ending on the day prior to the effective date (“**permitted income distribution**”) if payment thereof can be funded from actual cash on hand, in the ordinary and regular course of business, and without increasing the amount of the debt.
- 3.5.2. Intaprop must, prior to the closing date, declare as a distribution an amount, to be determined in the future, equal to the net amount actually recovered by Intaprop in respect of the disputed claims of Intaprop against third parties (“**ring-fenced claims proceeds distribution**”).
- 3.5.3. The permitted income distribution (if declared) must have been paid in full prior to the closing date, failing which the vendors will have no further claim thereto. Intaprop will make payments of the ring-fenced claims proceeds distribution as and when the amounts are actually received by Intaprop.
- 3.5.4. The shares and claims will be sold ex any rights to the permitted income distribution and the ring-fenced claims proceeds distribution.
- 3.6. The price adjustment mechanisms referred to in paragraph 3.2.1 above are typical and appropriate for a transaction of this nature.
- 3.7. The specific arrangements in respect of certain properties and undeveloped land within the Intaprop portfolio are set out in **Annexure 2**.

3.8. Development agreement

In addition to the transaction, Equites will enter into a development agreement with Intaprop Investments Proprietary Limited, the developer, pursuant to which the developer will for consideration provide certain development services in respect of the undeveloped properties set out in **Annexure 8** further details of which are set out in **Annexure 13**.

3.9. Excluded companies

- 3.9.1. The excluded companies, both subsidiaries of Intaprop, have not been included in the calculation of the purchase consideration and are not intended to constitute part of the transaction. Equites has accordingly agreed to dispose of the shares held by Intaprop in each of the excluded companies on written instruction from Intaprop, for the benefit of the vendors.
- 3.9.2. To this end, Intaprop shall be entitled, but not obliged, prior to the closing date, to declare as a distribution an amount equal to the sum of the proceeds received by Intaprop from the sales of the shares of such excluded companies, net of all withholding or other taxes payable by Intaprop pursuant to such sales.
- 3.9.3. Should either or both of the excluded company shares not be sold, in accordance with the acquisition agreement, by the 1st anniversary of the closing date, Intaprop shall be deemed to have sold to the developer for an amount equal to the amount agreed between the developer and Intaprop or failing agreement, for an aggregate amount of R1.00.

3.10. Warranties

Warranties commonly provided for transactions of this nature have been provided by the vendors to Equites.

4. CONDITIONS PRECEDENT

The acquisition agreement is subject to the following outstanding conditions precedent as at the date of this circular:

- 4.1. the counterparties to any debt funding agreements or hedges to which any of the companies in the Intaprop group may be a party providing such written consents or approval as may be required under the relevant debt funding agreements or hedges, in order for the transaction and the Brait transaction to be effected without triggering any event of default or other potential adverse consequence under the relevant debt funding agreements or hedges by not later than Friday, 3 July 2015; and
- 4.2. the shareholders of Equites providing all such necessary authorisations, and approvals and/or waivers as may be required by them to give effect to the transaction and all other transactions contemplated in the acquisition agreement by not later than Friday, 28 August 2015.

If any condition precedent has not been fulfilled by the relevant date stipulated in paragraph 4.1 and paragraph 4.2 above, then either party shall be entitled to give notice in writing to the other that unless the relevant condition precedent is fulfilled within 14 days of the date of issue of the notice (or such additional period or periods as the parties may agree in writing), the period for fulfilment or waiver of the relevant condition precedent will expire.

5. OPINION AND RECOMMENDATION OF THE BOARD OF EQUITES

- 5.1. The board of Equites, after evaluating the rationale for and the terms and conditions of the transaction, is of the opinion that the transaction is beneficial to Equites shareholders and recommends that Equites shareholders vote in favour of the resolutions necessary to implement the transaction.
- 5.2. The directors who hold Equites shares intend voting their shares in favour of all resolutions proposed at the general meeting.

6. FORECAST STATEMENTS OF COMPREHENSIVE INCOME

- 6.1. As a result of the implementation of the transaction, Intaprop will become a subsidiary of Equites and its year end will be changed from 30 June to 28 February. Intaprop's forecasts, which are set out in **Annexure 3** of this circular ("**forecasts**"), have been prepared for the eight months ending 29 February 2016 and the year ending 28 February 2017 ("**the forecast periods**"). The forecasts have been prepared on the assumption that the transaction will be implemented on 1 July 2015 and on the basis that the forecasts include forecast results for the duration of the forecast periods.
- 6.2. 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 Equites.
- 6.3. The forecasts have been prepared in accordance with Equites' accounting policies and in compliance with IFRS.
- 6.4. The forecasts must be read in conjunction with the independent reporting accountants' assurance report thereon as contained in **Annexure 4** of this circular.

7. PRO FORMA STATEMENT OF FINANCIAL POSITION

- 7.1. The *pro forma* statement of financial position of Equites, after the transaction is set out in **Annexure 5** of this circular.
- 7.2. The *pro forma* statement of financial position of Equites, 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 Equites.
- 7.3. The independent reporting accountants' assurance report on the *pro forma* statement of financial position of Equites is set out in **Annexure 6** of this circular.
- 7.4. The independent reporting accountants' review report on the value and existence of the assets and liabilities acquired by Equites is set out in **Annexure 7** of this circular.

8. THE INTAPROP PROPERTY PORTFOLIO**8.1. Overview of the Intaprop portfolio**

Intaprop's developed properties based on valuations performed by the independent property valuer as at 1 July 2015 amounts to R1.653 billion and consists of 13 properties with a GLA of 107 914m². The detailed list of the properties comprising the Intaprop portfolio is set out in **Annexure 8** of this circular.

8.2. Analysis of the Intaprop portfolio

An analysis of the Intaprop 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 tables below.

8.2.1. Geographical profile

	Based on GLA	Based on gross rentals
Gauteng	94.7%	94.7%
Western Cape	5.3%	5.3%
Total	100.0%	100.0%

8.2.2. Sectoral profile

	Based on GLA	Based on gross rentals
Industrial	93.6%	88.4%
Commercial	6.4%	11.6%
Total	100.0%	100.0%

8.2.3. Tenant profile

	Based on GLA	Based on gross rentals
A	97.3%	97.5%
B	2.7%	2.5%
C	0.0%	0.0%
Total	100.0%	100.0%

For the tenant profile table, the following key is applicable:

- A. Large international and national tenants, large listed tenants, government and major franchisees. These include, *inter alia*, Uti Pharma, ESCO, DHL, Premier Foods, Triton Express, Waco Africa, Wasteman, Formscaff, MTN, Corvest and Midas.
- B. National tenants, listed tenants, franchisees and medium to large professional firms. These include, *inter alia*, Rorich, Wolmarans & Luderitz and ATC Tower.
- C. Other local tenants and sole proprietors. There are no tenants in this category.

8.2.4. Vacancy profile

	Based on GLA
Industrial	0.0%
Commercial	3.3%
Total	0.2%

8.2.5. Lease expiry profile – total

	Total GLA	Total gross rentals
Vacant	0.2%	0.3%
Monthly	0.0%	0.0%
29 February 2016	0.0%	0.0%
28 February 2017	0.0%	0.0%
28 February 2018	5.6%	3.7%
28 February 2019	0.1%	0.2%
After 28 February 2019	94.1%	95.8%
Total	100.0%	100.0%

8.2.6. Lease expiry profile – industrial

	Total GLA	Total gross rentals
Vacant	0.0%	0.0%
Monthly	0.0%	0.0%
29 February 2016	0.0%	0.0%
28 February 2017	0.0%	0.0%
28 February 2018	6.0%	4.2%
28 February 2019	0.0%	0.0%
After 28 February 2019	94.0%	95.8%
Total	100.0%	100.0%

8.2.7. Lease expiry profile – commercial

	Total GLA	Total gross rentals
Vacant	3.3%	2.5%
Monthly	0.0%	0.0%
29 February 2016	0.0%	0.0%
28 February 2017	0.0%	0.0%
28 February 2018	0.0%	0.0%
28 February 2019	2.2%	1.6%
After 28 February 2019	94.5%	95.9%
Total	100.0%	100.0%

8.2.8. Rental escalations and rental per square metre

The weighted average rental per square metre for the Intaprop portfolio for July 2015 is as follows:

	Rate/m²
Industrial	105.06
Commercial	194.67
Total	110.90

The weighted average rental includes all additional parking, yard areas and other sundry items.

The weighted average rental escalation based on existing leases is as follows:

	%
Industrial	7.90%
Commercial	8.37%
Total	7.95%

The average annualised property yield based on the independent valuation and the forecast net property income is 8.57%.

9. VALUATION REPORTS

- 9.1. The Intaprop portfolio was valued by Mike Gibbons of Mills Fitchet, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
- 9.2. Detailed valuation reports have been prepared in respect of each of the properties in the Intaprop portfolio and is available for inspection in terms of paragraph 28 below. A summary valuation report in respect of the Intaprop portfolio has been included in **Annexure 9**.

10. VENDORS

- 10.1. Details of the vendors are set out in **Annexure 10**.
- 10.2. The vendors have not guaranteed the book debts. The acquisition agreement entered into governing the transaction contains warranties which are usual for transactions of this nature.
- 10.3. The acquisition agreement does not preclude the vendors from carrying on business in competition with the company nor does the acquisition agreement impose any other restrictions on the vendors and therefore no payment in cash or otherwise has been made in this regard.
- 10.4. The business of Intaprop will remain unchanged and any tax liabilities of Intaprop, including tax liabilities for accrued taxation to date of the transaction, will be settled in the ordinary course by Intaprop from available cash reserves.
- 10.5. The total Rand equivalent amount to be paid for Intaprop will be R454 693 008 at an equivalent price of R12.00 per Equites share. The projected net asset value of Intaprop as at 1 July 2015 is R454 693 008. There is no difference between the purchase price payable and the proportionate value of the net asset value acquired by Equites of R454 693 008 and the transaction does not give rise to goodwill.
- 10.6. Other than in their capacity as holders of Equites shares, no director or promoter of Equites (or any partnership, syndicate or other association in which a promoter or director had an interest) has any beneficial interest, direct or indirect in the transaction.

- 10.7. No cash or securities have been paid or benefit given to any director within the three preceding years of this circular or is proposed to be paid or given to any promoter (not being a director).
- 10.8. The Intaprop shares to be acquired in terms of the transaction have not been transferred to Equites and the Intaprop shares have not, to the knowledge of Equites, been ceded or pledged.

11. GENERAL MEETING

- 11.1. A general meeting of Equites shareholders will be held at the registered offices of Equites being 14th Floor, Portside Building, 4 Bree Street, Cape Town, 8000 at 10:00 on Monday, 31 August 2015 to consider and, if deemed fit, pass, with or without modification, the resolutions necessary to implement the transaction.
- 11.2. Details of the action required by Equites shareholders are set out on page 6 of this circular and in the notice of general meeting attached.

12. HISTORY AND NATURE OF BUSINESS

Equites was established through the merger of the portfolios of three independent Western Cape-based industrial property developers. The company successfully listed on the JSE on 18 June 2014.

Equites is a South African property fund manager and developer focused predominantly on quality industrial assets at the top end of the industrial sector and to a lesser degree office property. Equites is structured as a Real Estate Investment Trust and all asset management and property management functions have been internalised.

13. GROWTH STRATEGY

Equites has a clear focus on providing investors with significant investment returns, with growing income streams as well as increasing capital values.

It is the intention that the company will specialise in the industrial sector of the property market only. The board considers these properties to be highly desirable and believes that the top-end industrial property segment remains untapped by the existing players in the listed property environment.

The board intends diversifying geographically by focusing on the three major metropolitan areas, being the greater Cape Town, Gauteng and the greater Durban. This should not only enhance Equites' value proposition in that the total portfolio will not have properties in secondary destinations but also further differentiate Equites from competitors.

The board is cognisant of the difficulty a new, relatively small fund will encounter if its growth strategy is entirely dependent on buying assets on the open market where competition is rife. A key part of its strategy will therefore be to use its development expertise to unlock value.

Equites has significant development expertise and a healthy pipeline of industrial developments. This will enable Equites to develop internally and also to make acquisitions where there are redevelopment and value enhancing opportunities.

As part of this transaction, Equites will be acquiring 21 hectares of vacant industrial land, strategically located in Johannesburg and Cape Town. Equites will be aiming to develop industrial distribution warehouses on this land to the value of approximately R650 million over the next three years.

The board of Equites is confident that given the quality of assets, the development expertise and the project pipeline, the group is well placed to meet its growth targets while simultaneously continuing to show positive income and capital growth.

14. PROSPECTS

- 14.1. The acquisition of Intaprop will give Equites a significant presence in Gauteng and also adds 21 hectares of undeveloped land to its portfolio. Although there are no firm plans for the undeveloped land, it will create capacity to take advantage of future development opportunities as they arise.
- 14.2. The development agreement with the developer also represents a strategic alliance with a partner that has intimate knowledge of the industrial property market in Gauteng and a proven ability to unlock A-Grade distribution centres in the Meadowview Business Estate precinct.

15. DIRECTORS' EMOLUMENTS

- 15.1. The emoluments of the directors for the year ended 29 February 2016, which have been approved at the annual general meeting of the company on 21 July 2015, remain unchanged as a result of the transaction.
- 15.2. André Gouws has been nominated for appointment as a non-executive director to the board of Equites. Should shareholders approve André's appointment at the general meeting to be held on Monday, 31 August 2015, he will be paid R100 000 per annum as proposed in special resolution 1 of the notice of annual general meeting as set out in the integrated report for the year ended 28 February 2015.
- 15.3. Save as set out in paragraph 15.1 and paragraph 15.2 above, the directors of the company did not receive any emoluments in the form of:
 - 15.3.1. fees for services as a director;
 - 15.3.2. 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;
 - 15.3.3. basic salaries;
 - 15.3.4. bonuses and performance-related payments;
 - 15.3.5. sums paid by way of expense allowance;
 - 15.3.6. any other material benefits received;
 - 15.3.7. contributions paid under any pension scheme; or
 - 15.3.8. any commission, gain or profit-sharing arrangements.
- 15.4. 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.

- 15.5. Other than as disclosed below, no shares have been issued and allotted in terms of the Conditional Share Plan.

Name	Grant date	Vesting date	Issue price (30 day vwap)	Number of shares
Andrea Taverna-Turisan	29 October 2014	31 May 2017	R10.65	110 404
Riaan Gous	29 October 2014	31 May 2017	R10.65	66 911
Bram Goossens	29 October 2014	31 May 2017	R10.65	51 756
Management other than directors	29 October 2014	31 May 2017	R10.65	6 103
Andrea Taverna-Turisan	13 July 2015	1 June 2018	R11.92	139 479
Riaan Gous	13 July 2015	1 June 2018	R11.92	104 026
Bram Goossens	13 July 2015	1 June 2018	R11.92	104 026

40% of the conditional shares are subject to a three-year service period only and 60% are subject to a three-year service period as well as certain Group and individual performance conditions.

- 15.6. The directors will be remunerated by Equites. 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.
- 15.7. The company has not entered into any contracts relating to the directors' and managerial remuneration, secretarial and technical fees and restraint payments.

16. DIRECTORS' INTERESTS

16.1. Directors' interests in Equites shares

- 16.1.1. Set out below are the interests of directors in the company as at the year ended 28 February 2015. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. 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		
Leon Campher	—	—	—	—	—
Giancarlo Lanfranchi	—	21 053 467	—	21 053 467	18.4%
Andrea Taverna-Turisan	200 000	12 818 192	—	13 018 192	11.4%
Riaan Gous	878 280	—	—	878 280	0.8%
Bram Goossens~	—	—	—	—	0.0%
Chrystal Grauso^	—	37 000	—	37 000	0.0%
Nazeem Khan	100 000	—	—	100 000	0.1%
Ruth Benjamin-Swales	4 800	—	4 000	8 800	0.0%
Kevin Dreyer	—	4 997 016	—	4 997 016	4.4%
Johnny Cullum°	—	5 616 370	—	5 616 370	4.9%
Total	1 183 080	44 522 045	4 000	45 709 125	40.0%

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

~Appointed with effect from 1 September 2014

^Resigned with effect from 1 September 2014

° Resigned with effect from 21 July 2015. Johnny Cullum did not stand for re-election at the annual general meeting held on 21 July 2015.

- 16.1.2. On 9 July 2015, Ruth Benjamin-Swales acquired 5 200 Equites shares at R11.90 in terms of an on-market purchase;
- 16.1.3. On 9 July 2015, Phillip Swales (husband of Ruth Benjamin-Swales) acquired 1 000 Equites shares at R11.90 in terms of an on-market purchase; and
- 16.1.4. On 9 July 2015, Diana Swales (daughter of Ruth Benjamin-Swales) acquired 1 000 Equites shares at R11.90 in terms of an on-market purchase.
- 16.1.5. Other than as disclosed in paragraphs 16.1.2 to 16.1.4 above, there have been no other changes to the directors' interests in Equites shares between the end of the preceding financial year being, 28 February 2015, and the date of this circular.
- 16.1.6. Set out below are the interests of directors, including proposed directors, in the company after the implementation of the transaction. This includes the interest of persons who are no longer directors, but resigned during the last 18 months. 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		
Leon Campher	—	—	—	—	—
Giancarlo Lanfranchi	—	21 053 467	—	21 053 467	13.8%
Andrea Taverna-Turisan	200 000	12 818 192	—	13 018 192	8.5%
Riaan Gous	878 280	—	—	878 280	0.6%
Bram Goossens~	—	—	—	—	0.0%
Chrystal Grauso^	—	37 000	—	37 000	0.0%
Nazeem Khan	100 000	—	—	100 000	0.1%
Ruth Benjamin-Swales	10 000	—	6 000	16 000	0.0%
Kevin Dreyer	—	4 997 016	—	4 997 016	3.3%
Johnny Cullum°	—	5 616 370	—	5 616 370	3.7%
André Gouws#	—	6 852 027	—	6 852 027	4.5%
Total	1 188 280	51 374 072	6 000	52 568 352	34.5%

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

~Appointed with effect from 1 September 2014

^Resigned with effect from 1 September 2014

°Resigned with effect from 21 July 2015. Johnny Cullum did not stand for re-election at the annual general meeting held on 21 July 2015.

#Appointed subject to shareholder approval as set out in the notice of general meeting.

16.2. Directors' interests in transactions

Other than the directors' interests in transactions as set out in **Annexure 11** and the directors' interests in Equites shares as set out in paragraph 16.1 above, none of the directors of the company, including a director of the company who resigned during the last 18 months, 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.

17. MAJOR AND CONTROLLING SHAREHOLDERS

- 17.1. 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 Equites 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
Investment Solutions	10 040 467	8.8%
Gamlan Investments Proprietary Limited (in which Giancarlo Lanfranchi has a beneficial interest)	9 086 857	7.9%
Chiluan Holdings Proprietary Limited (in which Andrea Taverna-Turisan has a beneficial interest)	8 147 465	7.1%
Allan Gray	7 833 000	6.9%
Swish Property Eleven Proprietary Limited (in which Giancarlo Lanfranchi has a beneficial interest)	7 456 172	6.5%
Coronation Fund Managers	6 415 170	5.6%
Skymax Trust (of which Giancarlo Lanfranchi is a beneficiary)	6 105 005	5.3%
Total	55 084 136	48.1%

- 17.2. Set out below are the names of shareholders, other than directors that are directly or indirectly, expected to be beneficially interested in 5% or more of the issued shares of Equites post the implementation of the transaction. Where these are associates of directors of the company, this has been indicated.

Name of shareholder	Number of shares	% of shares in issue
Investment Solutions	10 040 467	6.6%
Gamlan Investments Proprietary Limited (in which Giancarlo Lanfranchi has a beneficial interest)	9 086 857	6.0%
Chiluan Holdings Proprietary Limited (in which Andrea Taverna-Turisan has a beneficial interest)	8 147 465	5.3%
Allan Gray	7 833 000	5.1%
Total	35 107 789	23.0%

- 17.3. As at the last practical date Equites did not have a controlling shareholder. Assuming implementation of the transaction, it is anticipated that Equites will not have a controlling shareholder.

18. RELATIONSHIP INFORMATION

- 18.1. Other than the directors' interests in Equites shares as set out in paragraph 16.1 above neither the directors of Equites, nor the directors of its subsidiaries, had any beneficial interests, direct or indirect, in relation to the Intaprop portfolio acquired by the Equites group nor are they contracted to become a tenant of any part of the Intaprop portfolio.
- 18.2. There is no relationship between any parties mentioned in paragraph 18.1 above of this circular and another person that may conflict with a duty to the Equites group.
- 18.3. Other than as disclosed in paragraph 3 above, the vendors did not have any beneficial interest, direct or indirect, in any securities or participatory interests to be issued by Equites in order to finance the acquisition of any properties in the Intaprop portfolio.
- 18.4. The directors of the company, have not had a material beneficial interest in the acquisition or disposal of any properties of the Intaprop portfolio during the two years preceding the date of the valuation of such properties.

19. MATERIAL BORROWINGS

- 19.1. Details of material loans made to the Equites group and the Intaprop group are set out in **Annexure 12**.
- 19.2. None of the material borrowings listed in **Annexure 12** have any redemption or conversion rights attaching to them.
- 19.3. Other than as set out in note 8 of the integrated report for the year ended 28 February 2015, the Equites group has not entered into any other material inter-company transactions.
- 19.4. Other than as set out in **Annexure 12**, the Intaprop group has not entered into any other material inter-company transactions.
- 19.5. As at the last practical date, neither the Equites group nor the Intaprop group have undertaken any off-balance sheet financing.

20. MATERIAL CONTRACTS

- 20.1. Material contracts, which have been entered into by Intaprop during the two years preceding the last practical date, other than in the ordinary course of business, are:
 - 20.1.1. the acquisition agreement, the salient details of which are set out in paragraph 3 above;
 - 20.1.2. the "Material contracts" referred to in **Annexure 13**;
 - 20.1.3. the loan agreements, the salient details of which are set out in **Annexure 12**.
- 20.2. Save for those contracts listed above, the Intaprop 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 Intaprop, within the two years prior to the date of this circular or at any time containing an obligation or settlement that is material to Intaprop at the date of this circular.

21. MATERIAL CHANGES

- 21.1. Other than the proposed acquisition of Intaprop,
 - 21.1.1. there have been no material changes in the financial or trading position of the Equites group since publication of its results for the year ended 28 February 2015;
 - 21.1.2. there has been no change in the business or trading objects of Equites since incorporation; and
 - 21.1.3. there have been no material changes in the financial or trading position of the Intaprop group since publication of its results for the year ended 30 June 2015.

22. EXCHANGE CONTROL REGULATIONS IN RESPECT OF THE EQUITES CLEAN-OUT DISTRIBUTION

The following is a summary of the Exchange Control Regulations insofar as they have application to shareholders and is not a comprehensive statement of the South African Exchange Control Regulations. Shareholders who are in any doubt as to the action to be taken should consult their professional advisers immediately.

22.1. Residents of the common monetary area

In the case of:

- 22.1.1. certificated shareholders whose registered address in the register is within the common monetary area and whose documents of title are not endorsed in terms of the Exchange Control Regulations, the Equites clean-out distribution will be electronically transferred to such shareholder's bank account; or
- 22.1.2. dematerialised shareholders, the Equites clean-out distribution will be paid to his/her duly appointed CSDP or broker and credited to such shareholder in accordance with the provisions of the custody agreement with his/her CSDP or broker.

22.2. Emigrants from the common monetary area

In the case of shareholders who are emigrants from the common monetary area and whose shares form part of their blocked assets, the Equites clean-out distribution will:

- 22.2.1. in the case of certificated shareholders, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such shareholder's blocked assets in terms of the Exchange Control Regulations; or
- 22.2.2. in the case of dematerialised shareholders, be paid to his/her CSDP or broker, which shall arrange for the same to be credited directly to the blocked Rand bank account of the shareholder with his/her authorised dealer.

22.3. All other non-residents of the common monetary area

The Equites clean-out distribution accruing to non-resident shareholders whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area will:

- 22.3.1. in the case of certificated shareholders, whose documents of title have been endorsed "non-resident" under the Exchange Control Regulations, be posted to his/her registered address or in accordance with the instructions given to the transfer secretaries; or
- 22.3.2. in the case of dematerialised shareholders, be paid to his/her duly appointed CSDP or broker and credited to the shareholder in terms of the provisions of the custody agreement with his/her CSDP or broker.

23. ADEQUACY OF CAPITAL

The directors have considered the effects of the transaction and are of the opinion that the working capital available to the Equites 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.

24. LITIGATION STATEMENT

- 24.1. The board of directors of Equites 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 Equites group's financial position.
- 24.2. The board of directors of Equites 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 Intaprop group's financial position.

25. CONSENTS

- 25.1. Each of the corporate advisor and sponsor, independent reporting accountants, independent property valuer, 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.
- 25.2. 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.

26. PRELIMINARY EXPENSES AND ISSUE EXPENSES

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

Expense	Recipient	R
Corporate advisor and sponsor fees	Java Capital	4 000 000
Valuation fees	Mills Fitchet	330 000
Independent reporting accountants' fees	Moore Stephens	200 000
Legal fees	CDH	600 000
Competition Commission filing fees	CDH	170 000
JSE documentation inspection fees	JSE	24 035
JSE listing fees	JSE	171 278
Press announcements, printing and marketing	Various	150 000
Broker's commission	Ginsberg and Rich	1 250 000
Contingency costs		104 687
Total		7 000 000

27. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of Equites, 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.

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 Wednesday, 29 July 2015 until Thursday, 27 August 2015 at the registered office of Equites:

- 28.1. the MOI of Equites and its subsidiaries;
- 28.2. the acquisition agreement as amended by the addendum;
- 28.3. a signed copy of this circular;
- 28.4. the material contracts referred to in paragraph 20 and **Annexure 13**;
- 28.5. the independent valuers' summary report, a copy of which is set out in **Annexure 9** and detailed valuation report;
- 28.6. the independent reporting accountants' report, a copies of which is set out in **Annexure 4, Annexure 6 and Annexure 7**;

- 28.7. the letters of consent referred to in paragraph 25 above; and
- 28.8. the audited financial statements of the Intaprop group for the year ended 30 June 2014,
- 28.9. the audited financial statements of the Equites group for the year ended 28 February 2015, unaudited consolidated interim results for the six-months ended 31 August 2014 and the audited financial statements of the Equites group for the period ended 28 February 2014.

Signed in Cape Town by Andrea Taverna-Turisan on his behalf and on behalf of all the directors of the company on Tuesday, 21 July 2015 in terms of powers of attorney granted by them.

Andrea Taverna-Turisan

For: **Leon Campher**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Giancarlo Lanfranchi**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Bram Goossens**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Riaan Gous**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Nazeem Khan**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Ruth Benjamin-Swales**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Kevin Dreyer**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

For: **Johnny Cullum**, a director, herein represented by Andrea Taverna-Turisan under and in terms of a power of attorney executed on Tuesday, 21 July 2015.

PRICE ADJUSTMENT MECHANISMS

The price adjustment mechanisms set out below have been extracted from the acquisition agreement.

“17 ADJUSTMENT OF PURCHASE CONSIDERATION FOR INTERIM PERIOD DEVELOPMENTS

17.1 If, during the Interim Period, any development lease agreement is entered into between the Company and a tenant for the construction and letting of a building (“**Building**”) on any of the Undeveloped Properties (“**Interim Period Development Lease**”), which Interim Period Development Lease has been approved by Equites, Equites shall pay to the Sellers, in accordance with clause 17.5 below, an additional amount equal to the following (“**Interim Period Premium**”):

17.1.1 An amount equal to 1/3 (one third) of the Upfront Development Premium calculated in accordance with clause 17.2;

17.1.2 plus (if the amount is positive) or minus (if the amount is negative) the difference between the:

17.1.2.1 land cost for the relevant Undeveloped Property as reflected in the Interim Period Development Lease; and

17.1.2.2 the land cost in respect of such Undeveloped Property as reflected in Annexure “6”,

17.2 For purposes of clause 17.1, the “**Upfront Development Premium**” shall be calculated in accordance with the following formula:

$$A = 1/3X \left(\left[\left(\frac{D}{B} \right) - \left(\frac{D}{C} \right) \right] X 0.8 \right)$$

Where

A, is the Upfront Development Premium;

B, is the projected percentage yield to be achieved by Equites in respect of the Building for a period of 12 (twelve) months from final completion of the Building (“**Assessment Period**”), as reflected in the Interim Period Development Lease (“**Projected Yield**”);

C, is the Base Rate calculated in accordance with clause 17.3; and

D, is the projected income attributable to the Building over the Assessment Period, less all direct costs, expenses and alike attributable to the Building over the Assessment Period, as determined in accordance with IFRS.

17.3 For purposes of the calculation of “C” in clause 17.2, the “Base Rate” shall be calculated as follows:

17.3.1 If the Projected Yield is equal to or exceeds 10% (ten percent), the Base Rate is 9% (nine percent);

- 17.3.2 If the Projected Yield is less than 10% (ten percent) but equals or exceeds 8.75% (eight comma five percent), the Base Rate is a percentage calculated in accordance with the following formula:

$$C = V - \left(\frac{W - X}{Y} \right) \times Z$$

Where

C, is the Base Rate, expressed as a percentage;

V, is 9%;

W, is 10%;

X, is the Projected Yield;

Y, is 0.25%; and

Z, is 0.2.

- 17.3.3 If the Projected Yield is less than 8.75% (eight comma seven five percent), the Base Rate is a percentage calculated in accordance with the following formula:

$$C = G - \left(\frac{H - I}{J} \right) \times K$$

Where

C, is the Base Rate, expressed as a percentage;

G, is 8%;

H, is 8.75%;

I, is the Projected Yield;

J, is 0.25%; and

K, is 0.1.

- 17.4 In the event of any dispute arising between the Sellers and the Purchaser as to the calculation for purposes of clause 17.1, that dispute will be referred to the Independent Auditor for determination, acting as expert and not as arbitrator.
- 17.5 The Interim Period Premium shall be discharged by the Purchaser issuing to the Sellers, in their Applicable Proportions, such number of additional Consideration Shares which, at the Equites Fixed Share Price, have an aggregate value equal to the Interim Period Premium, and shall result in a corresponding increase in the Purchase Price.”

"18 POTENTIAL ADJUSTMENT OF PURCHASE CONSIDERATION FOR TOWNSHIP ESTABLISHMENT

- 18.1 If the agreed value of the Undeveloped Properties has, in terms of clause 8.1.2, been reduced as a result of Township Establishment in respect of any portion of the Undeveloped Properties situated on Meadowview Business Estate not having been obtained by the Closing Date, and Township Establishment in respect of any such portion is subsequently obtained ("**Subsequently Approved Portions**"), then the Purchase Consideration shall increase with an amount equal to R400 (four hundred rand) per square metre of the Subsequently Approved Portions ("**Increased Undeveloped Property Value**").
- 18.2 The Increased Undeveloped Property Value shall be discharged by the Purchaser issuing to the Sellers, in their Applicable Proportions, such number of additional Consideration Shares which, at the Equites Fixed Share Price, have an aggregate value equal to the Increased Undeveloped Property Value, within 10 (ten) business days after the relevant Township Establishment has been obtained."

"19 POTENTIAL ADJUSTMENT OF AGREED VALUES OF RESPECTIVE DEVELOPED PORTFOLIOS, AND RELATED PURCHASE CONSIDERATION ADJUSTMENTS

19.1 Potential adjustment of Intaprop Developed Portfolio Value

- 19.1.1 It is recorded that the agreed value as at the Effective Date of the Intaprop Developed Portfolio recorded in clause 8.1.1 and set out in Annexure "5A" ("**the Agreed Intaprop Developed Portfolio Value**") was arrived at by capitalising the Sellers' forecast of the Net Rental Income in respect of the Intaprop Developed Properties for the Forecast Period, as set out in Annexure "5A" ("**the Intaprop Forecast Net Rental Income**"), at the Intaprop Applicable Rate.
- 19.1.2 Upon expiry of the Forecast Period the Purchaser shall be entitled but not obliged to instruct its auditors to provide the Parties with a written calculation and certification of the actual Net Rental Income of the Intaprop Developed Properties for the Forecast Period, adjusted as follows ("**Intaprop Actual Net Rental Income**"):
- 19.1.2.1 Any rental or other income which has been included in the Forecast Net Rental Income but not actually earned, whether because an existing tenant defaulted, a lease terminated and a new tenant was not secured timeously or on the terms forecasted, shall be deemed to have been earned (i.e. added to the actual Net Rental Income for the Forecast Period), except to the extent that the risk of not receiving such income:
- 19.1.2.1.1 was actually foreseen but not fairly disclosed to the other Party prior to the Signature Date;
- 19.1.2.1.2 should have been reasonably foreseeable by a prudent and experienced property owner, and such risk was not fairly disclosed to the other Party prior to the Signature Date; and/or
- 19.1.2.1.3 was avoidable, or capable of being mitigated, by a prudent and experienced property owner taking reasonable steps on or before the Closing Date.
- 19.1.2.2 Any expense or cost which was actually incurred but was not taken into account in the Forecast Net Rental Income, shall be deemed not to have been incurred (i.e. shall be added back in calculating to the actual Net Rental Income for the Forecast Period), except to the extent that the risk of incurring such expense or cost:

- 19.1.2.2.1 was actually foreseen but not fairly disclosed to the other Party prior to the Signature Date;
- 19.1.2.2.2 should have been reasonably foreseeable by a prudent and experienced property owner, but was not fairly disclosed to the other Party prior to the Signature Date; and/or
- 19.1.2.2.3 was avoidable, or was capable of being mitigated, by a prudent and experienced property owner taking reasonable steps on or before the Closing Date.
- 19.1.3 In the event of any dispute arising between the Sellers and the Purchaser as to such written calculation and certification of the Intaprop Actual Net Rental Income:
- 19.1.3.1 the Party/ies raising such dispute shall do so by means of written notice to the other within a period of 5 (five) business days after delivery of the auditor of the Purchaser's calculation and certification, setting out the basis of that Party/ies' objection (failing which notice the auditor's calculation and certification will be deemed to have been accepted by the Parties as correct); and
- 19.1.3.2 that dispute will be referred to the Independent Auditor for determination, acting as expert and not as arbitrator.
- 19.1.4 If the Intaprop Actual Net Rental Income, as finally determined, was less than the Intaprop Forecast Actual Net Income by more than R1 million (one million rand), then:
- 19.1.4.1 the Agreed Intaprop Developed Portfolio Value will be recalculated by capitalising the Intaprop Actual Net Rental Income at the Intaprop Applicable Rate;
- 19.1.4.2 the Purchase Consideration will be recalculated and reduced by substituting such recalculated amount as the Agreed Intaprop Developed Portfolio Value; and
- 19.1.4.3 the Sellers shall be liable, in their Applicable Proportions, to pay to the Purchaser the amount by which the Purchase Consideration has been so reduced, in cash, provided that no such cash payment shall be required to the extent that the relevant amount has been taken into account in any Purchase Price adjustment and resulting payment by the Purchaser in terms of clause 19.2.
- 19.1.5 Should any Seller fail to effect payment of the requisite amount within five business days of being required to do so by the Purchaser, then, without prejudice to such other rights as may accrue to the Purchaser consequent upon such failure:
- 19.1.5.1 the Purchaser shall be entitled to immediately realise the security afforded by it under the Share Pledge in accordance with the provisions of the Share Pledge, it being agreed that such failure shall constitute an "Event of Default" in terms of the Share Pledge; and
- 19.1.5.2 such overdue amount will bear interest at 2 (two) percentage points above the Prime Rate, from the due date for payment to the date of actual payment, both dates inclusive.

19.2 Potential adjustment of Equites Developed Portfolio Value, and Merger Ratio

- 19.2.1 It is recorded that, for purposes of the Merger and as at the Effective Date, the Parties have assumed that:
- 19.2.1.1 the value of the Purchaser's properties, or portions of properties, on which property developments have been completed or are in progress ("**the Equites Developed Portfolio**"), is the aggregate amount recorded in Annexure "5B" ("**the Assumed Equites Developed Portfolio Value**"), which amount was arrived at by capitalising the Purchaser's internal forecast of the Net Rental Income in respect of the Equites Developed Portfolio for the Forecast Period, as recorded in Annexure "5B" ("**the Equites Forecast Net Rental Income**"), at the Equites Applicable Rate;
 - 19.2.1.2 the total net equity value of Equites (taking into account the gross value of the Equites Developed Portfolio and its remaining assets and liabilities) is not less than R 1 372 293 711 ("**the Assumed Pre-Merger Equites Value**");
 - 19.2.1.3 the net asset value per Equites Share (taking into account the gross value of the Equites Developed Portfolio and its remaining assets and liabilities, and the total number of Equites Shares (other than treasury shares) in issue as at the Signature Date) ("**NAV per Equites Share**") is not less than the Equites Fixed Share Price ("**Assumed NAV per Equites Share**").
- 19.2.2 Upon expiry of the Forecast Period, and only in the event that the Equites 30 Day VWAP as at the last day of the Forecast Period is less than R13.00 (thirteen rand), the Sellers shall be entitled but not obliged to instruct the Purchaser's auditors to provide the Parties with a written calculation and certification of (1) the actual Net Rental Income attributable to the Equites Developed Portfolio for the Forecast Period, adjusted as set out in clause 19.2.3 ("Equites Actual Net Rental Income") and (2) to the extent applicable, the further calculations and adjustments contemplated in clause 19.2.4.
- 19.2.3 The Equites Actual Net Rental Income shall be adjusted as follows:
- 19.2.3.1 Any rental or other income which has been included in the Forecast Net Rental Income but not actually earned, whether because an existing tenant defaulted, a lease terminated and a new tenant was not secured timeously or on the terms forecasted, shall be deemed to have been earned (i.e. added to the actual Net Rental Income for the Forecast Period), except to the extent that the risk of not receiving such income–
 - 19.2.3.1.1 was actually foreseen but not fairly disclosed to the other Party prior to the Signature Date;
 - 19.2.3.1.2 should have been reasonably foreseeable by a prudent and experienced property owner, and such risk was not fairly disclosed to the other Party prior to the Signature Date; and/or
 - 19.2.3.1.3 was avoidable, or capable of being mitigated, by a prudent and experienced property owner taking reasonable steps on or before the Closing Date.

- 19.2.3.2 Any expense or cost which was actually incurred but was not taken into account in the Forecast Net Rental Income, shall be deemed not to have been incurred (i.e. shall be added back in calculating to the actual Net Rental Income for the Forecast Period), except to the extent that the risk of incurring such expense or cost:
- 19.2.3.2.1 was actually foreseen but not fairly disclosed to the other Party prior to the Signature Date;
 - 19.2.3.2.2 should have been reasonably foreseeable by a prudent and experienced property owner, but was not fairly disclosed to the other Party prior to the Signature Date; and/or
 - 19.2.3.2.3 was avoidable, or was capable of being mitigated, by a prudent and experienced property owner taking reasonable steps on or before the Closing Date.
- 19.2.4 If (1) the Equites 30 Day VWAP as at the last day of the Forecast Period was less than R13.00 (thirteen rand) and (2) the Equites Actual Net Rental Income was less than the Equites Forecast Net Income by more than R1 million, then:
- 19.2.4.1 the Assumed Equites Developed Portfolio Value will be recalculated by capitalising the Equites Actual Net Rental Income at the Equites Applicable Rate (such recalculated value being the "Adjusted Equites Developed Portfolio Value");
 - 19.2.4.2 the Assumed Pre-Merger Equites Value will be reduced by an amount equal to the negative difference between the Assumed Equites Developed Portfolio Value and the Adjusted Equites Developed Portfolio Value (such recalculated value being the "Adjusted Pre-Merger Equites Value");
 - 19.2.4.3 the Assumed NAV per Equites Share will be recalculated by dividing the Adjusted Pre-Merger Equites Value by the total number of Equites Shares in issue as at the Signature Date (such recalculated value being the "Adjusted NAV per Equites Share");
 - 19.2.4.4 there shall be calculated the number of Equites Shares that would have been issued to the Sellers had the Purchase Price, after all adjustments thereto (but excluding any adjustments contemplated in clause 19.1, 25.1, 25.2 and 25.4.2) been divided by the Adjusted NAV per Equites Share and not by the Assumed NAV per Equites Share; and
 - 19.2.4.5 the Purchaser shall issue to the Sellers, in their Applicable Proportions, such number of additional Consideration Shares as is equal to the number of Equites Shares calculated in terms of clause 19.2.4.4 less the number of Consideration Shares that were actually issued to the Sellers (and such additional Consideration Shares shall be issued at the Assumed NAV per Equites Shares and shall result in a corresponding increase in the Purchase Price).

- 19.2.5 In the event of any dispute arising between the Sellers and the Purchaser as to any calculation or certification by the Purchaser's auditors for purposes of clause 19.2.2 or 19.2.4:
- 19.2.5.1 the Party/ies raising such dispute shall do so by means of written notice to the other within a period of 5 (five) business days after delivery of the auditor of the Purchaser's calculation and certification, setting out the basis of that Party/ies' objection (failing which notice the auditor's calculation and certification will be deemed to have been accepted by the Parties as correct); and
- 19.2.5.2 that dispute will be referred to the Independent Auditor for determination, acting as expert and not as arbitrator.
- 19.2.6 An illustrative example of how the provisions of this clause 19.2 are to be applied is annexed hereto as Annexure "10". In the event of any conflict or inconsistency between the provisions of this clause 19.2 and such example, the provisions of this clause 19.2 shall prevail."

SPECIFIC ARRANGEMENTS IN RESPECT OF CERTAIN PROPERTIES AND UNDEVELOPED LAND

The specific arrangements set out below have been extracted from the acquisition agreement.

“25 SPECIFIC ARRANGEMENTS IN RESPECT OF CERTAIN PROPERTIES

25.1 Illovo Offices

25.1.1 It is recorded that:

25.1.1.1 the Intaprop Developed Properties include an undivided 50% (fifty percent) share in the property known as “Illovo Offices” in Johannesburg (“**the Illovo Property**”);

25.1.1.2 the total value attributed to the Intaprop Developed Properties as recorded in clause 8.1.1 includes an amount of R60 090 021 (“**the Illovo Property Value**”) as set out in Annexure “5A”; and

25.1.1.3 the Illovo Property Value has been arrived at by applying a capitalisation rate of 8.25% (eight point twenty five percent) (and not the Intaprop Applicable Rate) to the forecast Net Rental Income attributed to the Illovo Property in Annexure “5A”.

25.1.2 If the Company disposes (in the sense that the agreement to dispose has become unconditional) of the Illovo Property to a third party within a period of 12 (twelve) months from the Effective Date, the Purchaser shall pay to the Sellers, in their Applicable Proportions, an amount equal to the positive difference between the net consideration at which such disposal is effected and the Illovo Property Value.

25.1.3 If the Company does not dispose (in the sense that the agreement to dispose has become unconditional) of the Illovo Property to a third party within a period of 12 (twelve) months from the Effective Date, the Purchaser shall pay to the Sellers, in their Applicable Proportions, an amount equal to the positive difference between (1) an amount arrived by applying a capitalisation rate of 7.75% (seven point seventy five percent) to the forecast Net Rental Income attributed to the Illovo Property in Annexure “5A”, and escalating the resulting amount at a rate equal to the Prime Rate from the Effective Date to the expiry of such 12 (twelve) month period, and (2) the Illovo Property Value.

25.1.4 Any amount payable in terms of this clause 25.1 shall be considered to be additional Purchase Consideration, and shall be paid –

25.1.4.1 at the election of the Sellers, either in cash, or by the issue of such number of Equites Shares which, at the Equites Fixed Share Price, has an aggregate value equal to such additional Purchase Consideration; and

25.1.4.2 within 10 (ten) business days after the later of the expiry of the said 12 (twelve) month period, or the date on which the Sellers give Equites written notice of its aforesaid election.

25.2 **Brooklyn Offices**

- 25.2.1 It is recorded that:
- 25.2.1.1 the Intaprop Developed Properties include a property known as “Brooklyn Offices” in Pretoria (“**the Brooklyn Property**”);
 - 25.2.1.2 the total value attributed to the Intaprop Developed Properties as recorded in clause 8.1.1 includes an amount of R47 401 350 (“**the Brooklyn Property Value**”); and
 - 25.2.1.3 the Brooklyn Property Value has been arrived by applying a capitalisation rate of 9.25% (nine point twenty five percent) (and not the Intaprop Applicable Rate) to the forecast Net Rental Income attributed to the Brooklyn Property in Annexure “5A”.
- 25.2.2 If the Company disposes (in the sense that the agreement to dispose has become unconditional) of the Brooklyn Property to a third party within a period of 12 (twelve) months from the Effective Date, the Purchaser shall pay to the Sellers, in their Applicable Proportions, an amount equal to the positive difference between the net consideration at which such disposal is effected and the Brooklyn Property Value.
- 25.2.3 If the Company does not dispose (in the sense that the agreement to dispose has become unconditional) of the Brooklyn Property to a third party within a period of 12 (twelve) months from the Effective Date, the Purchaser shall pay to the Sellers, in their Applicable Proportions, an amount equal to the positive difference between (1) an amount arrived at by applying a capitalisation rate of 9% (nine percent) to the forecast Net Rental Income attributed to the Brooklyn Property in Annexure “5A”, and escalating the resulting amount at a rate equal to the Prime Rate from the Effective Date to the expiry of such 12 (twelve) month period and (2) the Brooklyn Property Value.
- 25.2.4 Any amount payable in terms of this clause 25.2 shall be considered to be additional Purchase Consideration, and shall be paid:
- 25.2.4.1 at the election of the Sellers, either in cash, or by the issue of such number of Equites Shares which, at the Equites Fixed Share Price, has an aggregate value equal to such additional Purchase Consideration;
 - 25.2.4.2 within 10 (ten) business days after the later of the expiry of the said 12 (twelve) month period, or the date on which the Sellers give Equites written notice of its aforesaid election.

25.3 **Imperial Midas Contract**

- 25.3.1 It is recorded that:
- 25.3.1.1 the Developed Properties include a property known as “the Midas Property” in Johannesburg (“**the Midas Property**”), owned by Chamber Lane;
 - 25.3.1.2 Chamber Lane has entered into an agreement with Imperial Group for the sale of the Midas Property to Imperial Group (“**the Midas Property Sale**”);
 - 25.3.1.3 the new title deeds for the subdivided land on which the Midas Property is located has however not as yet been registered, and it is not yet possible to give effect to the Midas Property Sale;

- 25.3.1.4 the total value attributed to the Developed Properties as recorded in clause 8.1.1 includes an amount of R233,094,570.00 ("**the Midas Property Value**"), which is equal to the amount payable for the Midas Property in terms of the Midas Property Sale.
- 25.3.2 It is agreed that, as soon as possible after the registration of the new title deeds pursuant to the subdivision of the relevant property (and ideally before the Effective Date), the Midas Property will be transferred to Imperial Group against the payment of the purchase price by Imperial, in accordance with the Midas Property Sale.
- 25.3.3 The Sellers shall ensure that, if transfer of the Midas Property to Imperial Group has not yet been effected by the Effective Date, the outstanding debt attributable to the Midas Property does not exceed the Midas Property Value (and that the Midas Property accordingly has no or negligible impact on the net asset value of the Company).
- 25.4 **Two Triton Buildings**
- 25.4.1 It is recorded that:
- 25.4.1.1 the Intaprop Developed Properties include two properties known as the Triton Buildings ("**the Triton Properties**"), owned by Chamber Lane with agreed values of R188,373,287 and R26,103,769 as set out on Annexure "5A", totalling R214 477 055;
- 25.4.1.2 Chamber Lane has entered into an agreement with Triton for the sale of an undivided half share in the Triton Properties to Triton ("**the Triton Sale**");
- 25.4.1.3 the Triton Sale has not yet been given effect to and transfer of the applicable undivided half share has not yet been given;
- 25.4.1.4 the Projected Effective Date Management Accounts include a liability of R25 294 842 being the Seller's estimate cost of cancelling the Triton Sale;
- 25.4.2 The Sellers will use reasonable endeavours to procure the cancellation of the Triton Sale against the payment of an amount to Triton, on the basis that such amount and the terms of the cancellation require the prior written approval of the Purchaser. In such event the actual amount payable in terms of the cancellation will replace the liability referred to in clause 25.4.1.4 in the Effective Date Accounts;
- 25.4.3 If it is not possible to arrange such cancellation the Triton Sale shall be given effect to, and, if the Triton Sale was given effect to before the Effective Date, the Purchase Consideration shall be adjusted by:
- (i) excluding the 50% (fifty percent) of the Triton Property Value attributed to the undivided share in the Triton Properties transferred to Triton,
- (ii) excluding the liability referred to in clause 25.4.1.4,
- 25.4.4 If it is not possible to arrange such cancellation the Triton Sale shall be given effect to, and, if the Triton Sale was given effect to after the Effective Date, the Purchase Consideration shall be reduced by an amount equal to (i) 50% of the Triton Property Value attributed to the undivided share in the Triton Properties transferred to Triton, less (ii) an amount equal to the liability referred to in 22.4.1.4, less (iii) the proceeds of the Triton Sale.
- 25.4.5 The limitations and thresholds in clauses 33.2.2 and 33.2.3 shall not apply to any claim in terms of this clause 25.4."

"26 ARRANGEMENTS IN RESPECT OF UNDEVELOPED LAND

- 26.1 The Projected Effective Date Management Accounts will contain the Sellers' bona fide estimate of the cost of implementing the Infrastructure Services ("the Estimated Amount"), and such amount will be taken into account as a current liability for purposes of determining the Net Working Capital under clauses 8.1.5 and 10.1.3.
- 26.2 Chamber Lane will engage Intaprop 2 as project manager to manage the implementation of the Infrastructure Services under the supervision of the Purchaser, on such terms and conditions as may be reasonably be required by the Purchaser, and which are in line with such terms and conditions as are typically applied to such appointments.
- 26.3 If the actual costs of implementing the Infrastructure Services exceed the Estimated Amount by more than R250 000 (two hundred and fifty thousand rand), the Sellers shall be liable to the Purchaser for the excess, and they shall, in their respective Applicable Proportions, make payment of the applicable amounts to the Purchaser, in cash, upon demand by the Purchaser. It is recorded, for the avoidance of doubt, that any costs incurred in connection with any services other than the Infrastructure Services as set out in Annexure "6", or any costs incurred as a consequence of any amendment and/or modification of the Infrastructure Services which have not been included in the Estimated Amount, shall be excluded from the actual costs of implementing the Infrastructure Services for purposes of this clause 26.3.
- 26.4 The limitations and thresholds in clauses 33.2.2 and 33.2.3 shall not apply to any claim in terms of clause 26.3.
- 26.5 In addition, Chamber Lane will engage Intaprop 2 to render such town planning services as may be required in respect of the Undeveloped Properties and which Intaprop 2 may be able to provide, for agreed consideration, and otherwise on such terms and conditions as may be reasonably be required by the Purchaser, and which are in line with such terms and conditions as are typically applied to such appointments."

FORECAST STATEMENTS OF COMPREHENSIVE INCOME

Set out below are the forecast statements of comprehensive income for Intaprop ("**forecasts**") for the eight months ending 29 February 2016 and the year ending 28 February 2017 ("**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 4**.

The forecasts have been prepared in compliance with IFRS and in accordance with Equites' accounting policies.

	Forecast for the 8 months ending 28 February 2016 R'000	Forecast for the year ending 28 February 2017 R'000
Revenue	133 492	185 410
Basic contractual rental income and tenant recoveries	105 335	150 922
Straight-line rental accrual	28 157	34 488
Property operating expenses	(14 845)	(23 639)
Property management	(159)	(254)
Net property and related income	118 488	161 517
Administrative expenses	(903)	(1 270)
Share listing expenses	(500)	
Operating profit	117 085	160 247
Finance cost	(61 882)	(76 728)
Interest received	—	—
Net profit	55 203	83 519
Reconciliation between earnings, headline earnings and distributable earnings		
Earnings (net profit)	55 203	83 519
<i>Adjusted for:</i>		
Change in fair value of investment properties	—	—
Headline earnings	55 203	83 519
<i>Adjusted for:</i>		
Straight-line rental income accrual	(28 157)	(34 488)
Share listing expenses	500	—
Distributable earnings	27 546	49 031
Number of shares issued to acquire Intaprop	37 891 084	37 891 084
Distribution per share issued (cents)	72.7	129.4

Material assumptions underlying the forecasts:

- The properties underlying the forecast comprise the acquired Intaprop portfolio only.
- None of the undeveloped properties are assumed to be developed within the forecast period. Borrowing costs directly attributable to fund developments are capitalised to the cost of development in accordance with the company's accounting policies.
- Rental income and tenant recoveries comprise existing lease agreements and a rental guarantee including stipulated increases, all of which are valid and enforceable.
- The forecasts include no uncontracted revenue.
- Property operating expenditure has been forecast on a line-by-line basis for each property based on management's review of historical expenditure and discussion with the property managers.
- The commercial effective date for the acquired portfolio is 1 July 2015.
- 37 891 084 new Equites shares at R12.00 per share based on the estimated purchase consideration set out in paragraph 3.2.2 of the circular.
- Equites will refinance some of the bank debt assumed with Intaprop. This refinancing will only take place once the acquisition is unconditional, which has been assumed to be 30 September 2015. Once refinanced, interest exposure is assumed to be fixed at margins currently available to Equites.
- For the purpose of the forecasts, ruling lending rates have been assumed to remain unchanged over the forecast period.
- The Midas property is currently subject to a sale agreement, transfer of which is assumed to take place on 1 January 2016.
- Save for electricity which is expected to increase by 15%, no other material expenditure items are expected to change by more than 15% from historical expenditure.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF INTAPROP

"The Directors
Equites Property Fund Limited
14th Floor
Portside
Bree Street
CAPE TOWN
8001

22 July 2015

INDEPENDENT REPORTING ACCOUNTANT'S LIMITED ASSURANCE REPORT ON THE FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF INTAPROP PROPRIETARY LIMITED ("INTAPROP" OR "THE COMPANY")

We have examined the forecast statements of comprehensive income, the forecast vacancy profile by sector and by gross lettable area, and the forecast lease expiry profile based on existing lease agreements (collectively, the "**forecast information**") for the periods ending 28 February 2016 and 29 February 2017, as set out in **Annexure 3** of the circular to be issued to Equites Property Fund Limited ("**Equites**") shareholders on or about 29 July 2015 ("**the Circular**").

Directors' responsibility

The Directors of Equites are responsible for the forecast information, including the assumptions and notes on which it is based, and for the financial information from which it has been prepared. This responsibility, arising from compliance with the Listings Requirements of the JSE Limited, includes:

- determining whether the assumptions, barring unforeseen circumstances, provide a reasonable basis for the preparation of the forecast information;
- whether the forecast information has been properly compiled on the basis stated; and
- whether the forecast information is presented on a basis consistent with the accounting policies of the company.

Reporting accountants' responsibility

Our responsibility is to provide a limited assurance report on the forecast information prepared for the purpose of complying with the Listings Requirements of the JSE Limited and for inclusion in the Circular.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to The Examination of Prospective Financial Information (ISAE 3400) and the SAICA Circular, entitled the Reporting Accountant's Responsibilities in terms of Section 13 of the Listing Requirements of the JSE Limited. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- management's best-estimate assumptions on which the forecast information is based are not unreasonable and are consistent with the purpose of the information;
- the forecast information is properly prepared on the basis of the assumptions;
- the forecast information is properly presented and all material assumptions are adequately disclosed; and
- the forecast information is prepared and presented on a basis consistent with the accounting policies of the company for the period concerned and on the basis stated, that being the recognition and measurement criteria of IFRS.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement and, therefore, less assurance is obtained than in a reasonable assurance engagement. We believe our evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Information and source of information

In arriving at our conclusion, we have relied upon forecast financial information prepared by management and the Directors of Equites and other information from various public, financial and industry sources.

The principal sources of information used in arriving at our conclusion are as follows:

- Management prepared forecasts for the periods ending 28 February 2016 and 29 February 2017.
- Discussions with the Directors of Equites regarding the forecasts presented and the prevailing market and economic conditions.
- Lease agreements for a sample of the leases for the properties included in the Intaprop portfolio as set out below.
- Valuation reports in respect of the properties included in the Intaprop portfolio prepared by the external property valuers.
- Indicative debt terms from bankers.

Procedures

In arriving at our conclusion we have performed the following procedures:

Rental income

- A sample selection was made from the forecast contracted rental income streams per the profit forecast and agreed to the underlying lease agreements. The sample selected was greater than 70% of contracted rental income being tested for the eight months ended 28 February 2016 and the year ended 28 February 2017 respectively.
- For that same sample of properties, forecast recoveries were compared to historical recoveries and the forecast operating expenditure for reasonableness. The terms of the leases were considered so as to ensure that the basis of the recoveries was correct.
- Existing lease agreements that will expire during the period under review were discussed with the asset managers. Unless the existing tenant has indicated that it intends to vacate the premises, it has been assumed that the existing tenant will renew the lease agreement and the resultant uncontracted rental income has been included in the forecast.
- Space that is currently empty has been excluded from the forecast except where the property managers has demonstrated that the vacant space is in the process of being let but that the lease agreement in that regard had not been signed on the date of issuing the Circular.
- The vacancy levels per the forecast model were compared to the historical vacancy levels for reasonableness. Existing vacancies of 0% of total gross lettable area have been assumed for the eight months ending 25 February 2016 and the year ending 28 February 2017.
- The straight-lining adjustment required by IFRS, of rental income generated by operating leases, was recalculated and agreed to the forecast model.

Rental income development properties

The business plan in connection with the property development was reviewed and discussed with the property developer and management. It was ensured that for development properties where no rental income was expected to be earned during the forecast period, as the relevant property is expected to still be under development, that no rental income is included in the forecast.

Expenses

For a sample of properties, forecast expenses were compared to the historical expenses, and where possible, explanations were obtained for any significant differences. Forecast property management and administrative expenses are not comparable with historic expenditure due to the change in the asset and property management. The detailed forecast expenditure was reviewed to ensure that all material expenditure items, as required by paragraph 13.14(f) of the Listing Requirements, were disclosed.

Portfolio expenses

The forecast interest expense, property management fees and other portfolio expenses were assessed for reasonableness and, where applicable, recalculated.

Application of accounting policies

We ascertained that the existing accounting policies of Equites have been consistently applied in the preparation of the forecast information. Variances and new accounting policies adopted were discussed with the directors.

Model review

In order to ensure that the forecast model for the property income and expenses was accurate and reliable, we performed a high-level review to determine the consistency and mathematical accuracy of the model.

Vacancy profile and lease expiry profile

We reviewed the individual property worksheets to ascertain that the vacancy profile and the lease expiry profile included in the model was derived from the correct sources.

Accuracy of the information

We have relied upon and assumed the accuracy and completeness of the information provided to us in writing, or obtained through discussions from the Directors of Equites. While our work has involved an analysis of historical financial information and consideration of other information provided to us, our assurance engagement does not constitute an audit or review of historical financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements.

Accordingly, we do not express an audit or review opinion thereon and assume no responsibility and make no representations in respect of the accuracy or completeness of any information provided to us, in respect of the forecast information and relevant information included in the circular.

Conclusion

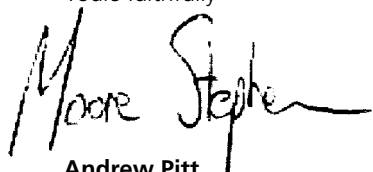
Based on our examination of the evidence obtained, nothing has come to our attention that causes us to believe that:

- (i) the assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast information;
- (ii) the forecast information has not been properly compiled on the basis stated that being the recognition and measurement criteria of IFRS;
- (iii) the forecast information has not been properly presented and all material assumptions are not adequately disclosed; and
- (iv) the forecast information is not presented on a basis consistent with the accounting policies of Equites.

Actual results are likely to be different from the forecast, since anticipated events frequently do not occur as expected and the variation may be material; accordingly no assurance is expressed regarding the achievability of the forecast.

Our report and the conclusion contained herein is provided solely for the benefit of the Board of Directors of Equites and investors of the issuer for the purpose of their consideration of the transaction. This letter is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Yours faithfully

A handwritten signature in black ink that reads "Moore Stephens".

Andrew Pitt
Director

Moore Stephens Cape Town Inc.
Chartered Accountants (S.A.)
Registered Auditor and Reporting Accountant Specialist
The Gateway, 3rd & 4th Floor
Century Way, Century City
Cape Town, 7441"

CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF EQUITES

Set out below is the consolidated *pro forma* statement of financial position of Equites reflecting the effects of the transaction based on Equites' results for the year ended 28 February 2015. The consolidated *pro forma* statement of financial position is the responsibility of the directors of Equites and has been provided for illustrative purposes only to provide information about how the transaction may have affected the financial position of Equites, assuming that the transaction was implemented on 1 July 2015, and because of their nature, may not fairly represent the financial position of Equites shareholders after the transaction.

The independent reporting accountants' assurance report on the consolidated *pro forma* statement of financial position is set out in **Annexure 6** 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 7** of this circular.

The consolidated *pro forma* financial information has been prepared in compliance with IFRS and in accordance with the accounting policies of the Equites group that were used in the preparation of the annual financial statements for the year ended 28 February 2015.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is the consolidated *pro forma* statement of financial position as at 28 February 2015.

	Before ¹ Transaction 28 February 2015 R'000	Acquisition of 100% of Intaprop ² R'000	<i>Pro forma</i> Adjustments ³ R'000	After transaction ⁴ R'000
ASSETS				
Non-current assets				
Fair value of investment property (excluding straight-lining)	1 416 949	861 840	1 028 176	3 306 965
Straight-lining lease accrual	14 928	50 073	(50 073)	14 928
Property, plant and equipment	1 847	152 805	(152 805)	1 847
Investments in associates		5 907	(5 907)	—
Intangible assets		20	(20)	—
Loans to group companies		2	(2)	—
	1 433 724	1 070 647	819 369	3 323 740
Current assets				
Inventories	—	301 245	(301 245)	
Current tax receivable	91	5	164	260
Trade and other receivables	4 479	39 952	(37 315)	7 116
Loan receivable	—	1 951	(1 951)	—
Financial asset held at fair value	4 489		—	4 489
Cash and cash equivalents	3 582	47 059	(44 866)	5 775
	12 641	390 212	(385 214)	17 639
TOTAL ASSETS	1 446 365	1 460 859	434 155	3 341 379
EQUITY AND LIABILITIES				
Equity and reserves				
Stated capital	1 140 599	—	454 693	1 595 292
Accumulated profit	160 215	200 060	(200 060)	160 215
Share-based payment reserve	201			201
	1 301 015	200 060	254 633	1 755 708
Non-controlling interest	—	68 009	(68 009)	—
	1 301 015	268 069	186 624	1 755 708
Liabilities				
Non-current liabilities				
Financial liabilities	127 372	948 539	234 932	1 310 843
Deferred taxation	—	53 780	(52 356)	1 424
	127 372	1 002 319	182 576	1 312 267
Current liabilities				
Financial liabilities	—	140 368	(111 980)	28 388
Current tax payable		4	(4)	—
Derivative financial liability	512	—	—	512
Provisions and current financial liabilities	—	—	191 434	191 434
Trade and other payables	17 466	50 099	(14 495)	53 070
	17 978	190 471	64 955	273 404
TOTAL LIABILITIES	145 350	1 192 790	247 531	1 585 671
TOTAL EQUITY AND LIABILITIES	1 446 365	1 460 859	434 155	3 341 379
Number of Equites shares in issue	114 410 255			152 301 338
Net asset value per Equites share (cents)	1 137			1 153
Net tangible value per Equites share	1 137			1 153

Notes and assumptions to statement of financial position

1. Extracted without adjustment from the Equites audited annual financial statements for the year ended 28 February 2015.
2. Extracted without adjustment from the Intaprop audited annual financial statements for the year ended 30 June 2014, prepared in compliance with IFRS and audited by Moore Stephens, who issued an unqualified audit opinion. The audited financial statements together with the Moore Stephens audit opinion thereon are open for inspection at the company's offices.
3. Represents the following adjustments:
 - 3.1. The acquisition of 100% of the share capital of Intaprop by Equites by issuing 37 891 084 new Equites shares at R12.00 per share based on the estimated purchase consideration set out in paragraph 3.2.2 of the circular.
 - 3.2. Adjustments and fair value movements required for the movements within Intaprop from 30 June 2014 up to 1 July 2015. Adjustments include the elimination of deferred tax due to Equites' REIT tax status and elimination of the straight-lining lease accrual, property, plant and equipment and other non-current assets as the values of these assets are reflected in the value of the investment property acquired.
 - 3.3. Consolidation entries required by IFRS including the elimination of share capital and pre-acquisition profits of Intaprop. Investment property is restated to the value attributed by the independent valuer as set out in **Annexure 9** of the circular. Acquisition costs of R7 million, as set out in paragraph 26 of this circular are assumed to be settled in cash. The acquisition of shares in Intaprop comprises the acquisitions of investment properties only, and does not include the associated rental and property management businesses. The acquisition is therefore not considered to be the acquisition of a business and is accounted for in terms of ISA 40 Investment Property and does not give rise to goodwill.
4. The financial information in the "**After transaction**" column assumes Equites acquires 100% of Intaprop shares and assumes the acquisition had been implemented on 28 February 2015.

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

"The Directors
Equites Property Fund Limited
14th Floor
Portside
Bree Street
CAPE TOWN
8001

22 July 2015

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE CONSOLIDATED *PRO FORMA* FINANCIAL INFORMATION OF EQUITES PROPERTY FUND LIMITED ("EQUITES" OR "THE GROUP")

We have completed our assurance engagement to report on the compilation of the consolidated *pro forma* financial information of Equites by the Directors. The *pro forma* financial information consists of the condensed consolidated *pro forma* statement of financial position as at 28 February 2015 and related notes as set out in **Annexure 5** of the Circular.

The condensed consolidated *pro forma* statement of financial position has been compiled by the Directors on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements and the SAICA Guide ("**Applicable Criteria**").

The *pro forma* financial information has been compiled by the Directors to illustrate the impact of the corporate action or event described in the Circular, Sections 1 – 4, on the Group's statement of financial position as at 28 February 2015 as if the event or transactions had taken place at 28 February 2015, and the Group's financial performance for the period then ended. As part of this process, information about the Group's financial position has been extracted by the Directors from the group's financial statements for the period ended 28 February 2015, on which an unqualified audit report was issued on.

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 and in conformity with the applicable accounting framework, that being the recognition and measurement criteria of International Financial Reporting Standards ("**IFRS**"), and as described in the notes to the consolidated *pro forma* statement of financial position.

Reporting accountants' responsibilities

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 of the Applicable Criteria based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *pro forma* Financial Information Included in a Prospectus, issued by the International Auditing and Assurance Standards Board, which is applicable to an engagement of this nature.

This standard requires that the practitioner comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the *pro forma* financial information on the basis of the Applicable Criteria, and in conformity with the applicable accounting framework, that being the recognition and measurement criteria of IFRS.

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.

The purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of the corporate action or event on unadjusted financial information of the entity as if the transaction had been undertaken at an earlier date selected for purposes of the illustration, namely the 28 February 2015. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 28 February 2015 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 provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, 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.

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

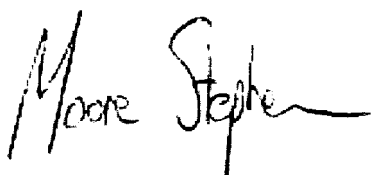
The engagement also involves evaluating the overall presentation of the *pro forma* financial information.

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 referred to in **Annexure 5** has been compiled, in all material aspects, on the basis of the Applicable Criteria and in conformity with the applicable accounting framework, that being the recognition and measurement criteria of IFRS and as described in the notes to the consolidated *pro forma* statement of financial position.

Yours faithfully



Andrew Pitt
Director

Moore Stephens Cape Town Inc.
Chartered Accountants (S.A.)
Registered Auditor and Reporting Accountant Specialist
The Gateway, 3rd & 4th Floor
Century Way, Century City
Cape Town, 7441"

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

"The Directors
Equites Property Fund Limited
14th Floor
Portside
Bree Street
CAPE TOWN
8001

22 July 2015

Dear Sirs

REVIEW CONCLUSION ON THE VALUATION AND EXISTENCE OF THE ASSETS AND LIABILITIES ACQUIRED BY EQUITES PROPERTY FUND LIMITED ("EQUITES")

Introduction

We have reviewed the assets and liabilities acquired by Equites, as reflected in the acquisition adjustment columns of the *pro forma* statement of financial position included in **Annexure 5** of the circular to be issued on or about 29 July 2015 ("**the Circular**").

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

The directors are responsible for the compilation, contents and preparation of the adjustment columns of the *pro forma* statement of financial position, in accordance with the accounting policies adopted by Equites and the recognition and measurement criteria of International Financial Reporting Standards ("**IFRS**").

Independent reviewer's responsibility

Our responsibility is to express a conclusion regarding the value and existence of the assets and liabilities acquired by Equites in accordance with the requirements of section 13.16(e) of the JSE Listings Requirements based on our review. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2400 (Engagements to Review Financial Statements) which is applicable to an engagement of this nature. ISRE 2400 requires us to conclude whether anything has come to our attention that causes us to believe that the financial information in respect of which we are required to issue a review conclusion, being the assets and liabilities acquired by Equites and reflected in the acquisition adjustment columns of the *pro forma* statement of financial position included in **Annexure 5** of the circular, are not fairly valued, do not exist or are not fairly presented in all material respects in accordance with the accounting policies adopted by Equites and the recognition and measurement criteria of International Financial Reporting Standards. This Standard also requires us to comply with relevant ethical requirements.

A review of financial information in accordance with ISRE 2400 consists primarily of making inquiries of management and others within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained.

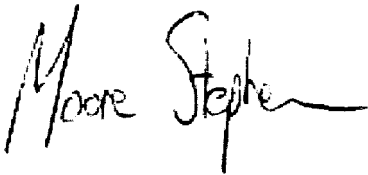
A review also requires performance of additional procedures when the practitioner becomes aware of matters that cause the practitioner to believe the financial information in respect of which we are required to issue a review conclusion may be materially misstated. We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

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 assets and liabilities acquired by Equites reflected in the acquisition adjustment columns of the *pro forma* statement of financial position included in **Annexure 5** to the circular are not fairly valued, do not exist or are not fairly presented, in all material respects, in accordance with the accounting policies adopted by Equites, and the recognition and measurement criteria of International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Yours faithfully

A handwritten signature in black ink that reads "Moore Stephens". The signature is written in a cursive, flowing style.

Andrew Pitt
Director

Moore Stephens Cape Town Inc.
Chartered Accountants (S.A.)
Registered Auditor and Reporting Accountant Specialist
The Gateway, 3rd & 4th Floor
Century Way, Century City
Cape Town, 7441"

DETAILS OF THE INTAPROP PORTFOLIO

Details of the properties in the Intaprop portfolio, including property name and address, geographical location, sector, rentable area, weighted average rental per square meter and the valuations attributed to the properties, are set out below.

No	Property name and ownership	Property address and geographic location	Property description, sector and use	Registered legal description	Rentable area (m ²)	Weighted average rental per square metre (R/m ²)*	Lease expiry	Acquisition yield	Purchase price (R)	Valuation as at 1 July 2015 ³ (R)	Difference between valuation and purchase price ¹ (R)
Developed properties											
1.	8 Melville Road Office Block (50%)	8 Melville Road, Ilovo Boulevard, Johannesburg, Gauteng	Commercial	Erf 30 Ilovo	3 960	208.65	Feb 2023	8.25%	60 090 021	61 000 000 ⁴	909 979
2.	Equity Park Office Park (100%)	Equity Park Cnr Brooklyn and Lynnwood Roads, Brooklyn, Pretoria, Gauteng	Commercial	Erf 861 Brooklyn Township	3 200	119.26	Various	9.25%	47 401 350	51 500 000	4 098 650
3.	Wasteman Saxdowne Business Park (100%)	Wasteman Saxdowne Business Park, Western Cape	Industrial	Portion 5 of Farm No. 1327, Stellenbosch Road	4 066	107.92	Aug 2026	9.00%	58 506 090	59 650 000	1 143 910
4.	Formscaff Saxdowne Business Park (100%)	Formscaff Saxdowne Business Park, Western Cape	Industrial	Portion 7 of Farm Dumminy No. 441, Stellenbosch Road	1 828	126.42	Jul 2019	9.00%	30 811 601	29 500 000	(1 311 601)
5.	UTI Pharma (100%)	1 Meadowview Lane, Meadowview Business Estate West, Linbro Park, Gauteng	Industrial	Portion 3 of Erf 100 Linbro Park Ext. 86	39 801	135.38	Aug 2022	8.60%	820 884 363	808 250 000	(12 634 363)

No	Property name and ownership	Property address and geographic location	Property description, sector and use	Registered legal description	Rentable area (m ²)	Weighted average rental per square metre (R/m ²)*	Lease expiry	Acquisition yield	Purchase price (R)	Valuation as at 1 July 2015 ³ (R)	Difference between valuation and purchase price ¹ (R)
6.	Triton Express (100%)	1 Gordon Avenue, Meadowview Business Estate East, Linbro Park, Gauteng	Industrial	Erf 85 Linbro Park Ext. 127	14 199	88.44	Sep 2024	8.00%	188 373 287	193 000 000	4 626 713
7.	Premier Foods (100%)	2 Meadowview Lane, Meadowview Business Estate West, Linbro Park, Gauteng	Industrial	Portion 4 of Erf 100 Linbro Park Ext. 86	8 283	64.49	Jun 2024	8.00%	80 124 390	80 100 000	(24 390)
8.	ESCO (100%)	87 Hilton Road, Meadowview Business Estate West, Linbro Park, Gauteng	Industrial	Portion 1 of Erf 104 Linbro Park Ext. 86	5 000	69.29	Jul 2024	8.00%	51 966 697	52 000 000	33 303
9.	Triton Fleet (100%)	1 Price Lane, Meadowview Business Estate East, Linbro Park, Gauteng	Industrial	Erf 88 Linbro Park Ext. 127	1 117	165.53	Oct 2024	8.50%	26 103 769	27 500 000	1 396 231
10.	MTN Tower (100%)	1 Price Lane, Meadowview Business Estate East, Linbro Park, Gauteng	Industrial	Erf 87 Linbro Park Ext. 127	- Cellular mast: 112	N/A	Apr 2021	8.00%	702 768	2 063 500	1 360 732
11	DHL (old GMS) (100%)	6 Meadowview Lane, Meadowview Business Estate West, Linbro Park, Gauteng	Industrial	Portion 1 of Erf 100 Linbro Park Ext. 86	6 250	63.20	Jun 2020	8.00%	59 250 225	52 500 000	(6 750 225)
12	ATC Tower (100%)	Meadowview Business Park, Gauteng	Industrial	Portion of AH 73 Linbro Park, Ext 127	- Cellular mast: 98	N/A	Jul 2024	8.25%	923 636	950 000	26 364
13	Midas (100%)	Meadowview Business Park, Gauteng	Industrial	Erf 90 Linbro Park Ext. 127	20 000	87.41	Feb 2018	9.00%	233 094 570	234 500 000	1 405 430
Sub-total in respect of the developed properties									1 658 232 767	1 652 513 500	(5 719 267)

No	Property name and ownership	Property address and geographic location	Property description, sector and use	Registered legal description	Rentable area (m ²)	Weighted average rental per square metre (R/m ²)*	Lease expiry	Acquisition yield	Purchase price (R)	Valuation as at 1 July 2015 ³ (R)	Difference between valuation and purchase price ¹ (R)
Undeveloped properties (zoned)											
14	Linbro Park Ext. 127			Erf 92	15 141				19 369 200	19 683 300	314 100
15	Linbro Park Ext. 99			Erven 96 & 97	17 278				20 733 600	22 461 400	1 727 800
16	Linbro Park Ext. 132			Erven 98 & 99	17 453				20 943 600	22 688 900	1 745 300
17	Linbro Park Ext 86			Portion 2 of Erf 100	9 119				8 505 600	9 214 400	708 800
18	Linbro Park Ext 86			Rem Erf 104	8 524				9 123 600	9 883 900	760 300
19.	Linbro Park Ext 127			Erf 86	4 350				5 220 000	5 655 000	435 000
20.	Linbro Park Ext 127			Erf 89	5 523				5 217 600	5 652 400	434 800
21.	Linbro Park Ext 127			Erf 91	40 826				49 034 396	53 073 800	4 039 404
22.	Saxdown Park			Erf 4131 Hagley, Cape Town	18 867				15 093 600	15 093 600	—
23.	Saxdown Park			Erf 4132 Hagley, Cape Town	16 236				12 988 800	12 988 800	—
24.	Saxdown Park			Erf 4146 Hagley, Cape Town	23 195				14 622 400	18 556 000	3 933 600
Sub-total in respect of the undeveloped properties (zoned)									180 852 396	194 951 500	14 099 104

Property name and ownership	Property address and geographic location	Property description, sector and use	Registered legal description	Rentable area (m ²)	Weighted average rental per square metre (R/m ²)*	Lease expiry	Acquisition yield	Purchase price (R)	Valuation as at 1 July 2015 ³ (R)	Difference between valuation and purchase price ¹ (R)
Undeveloped properties (unzoned)										
25.	Linbro Park Ext 93		Proposed Erf 1	27 349				34 232 400	21 879 200	(12 353 200)
23.	Proposed 215 (a Portion of the Remainder of Portion 67) of the Farm Modderfontein No, 35, IR		Unregistered & Unzoned Portion of roadway as per Unregistered S. G. Diagrams totalling 13,915m ²	13 915				16 698 000	11 132 000	(5 566 000)
Sub-total in respect of the undeveloped properties (unzoned)				41 264				50 930 400	33 011 200	(17 919 200)
TOTAL				325 690				1 890 015 563	1 880 476 200	(9 539 363)

Notes:

- The difference between the valuation amounts and acquisition costs or development costs is due to the fact that the values attributed by the independent property valuer are open market values, while the acquisition costs are negotiated values.
- The effective date of the acquisition is 1 July 2015.
- The Intaprop portfolio was valued by Mike Gibbons of Mills Fitchet, who is an independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000.
- Represents 50% of the valuation as the company is acquiring 50% of 8 Melville Road.
- DHL has not ratified this lease and the property is being acquired vacant with a rental guarantee. As a result only R52,666,867 of the purchase price will be payable on the closing date and an additional R6,583,358 if the sellers finds a suitable similar tenant.
- The purchase consideration for the undeveloped properties (unzoned) was agreed as R1,200m² with R800m² being payable on the closing date and R400m² on township establishment.

INDEPENDENT PROPERTY VALUER'S SUMMARY VALUATION REPORT OF THE INTAPROP PORTFOLIO

"22 July 2015 [13.23 (c)]

Attention: Mr. A. Taverna-Turisan
Equities Property Fund Limited
14th Floor, Portside Building
4 Bree Street
Cape Town
8001

Dear Sir,

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

1. INTRODUCTION

I, MRB Gibbons, a duly authorised Professional Valuer, registered without restriction in terms of Section 19 of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), of Suite 303, 3rd Floor, Newspaper House, 122 St. Georges Mall, Cape Town do hereby certify that to the best of my knowledge, I have valued the property as at 1 July 2015 [13.23(c)] in order to determine its value on a discounted cash flow or capitalisation of net income basis [13.23(d)] as at the date specified below

Total Value of the Property: **R1,880,476,200.00** [13.23a(i)]

In accordance with your instruction of 1 June 2015, I confirm that I have visited and inspected the 13 properties listed below during June 2015 [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 July 2015.[13.23(c)]

Set out below are particulars relating to the Properties, as detailed in the Circular to be dated on or about 29 July 2015, to which this report is attached and the value that I have attributed to the properties:

DETAILS OF PROPERTY PORTFOLIO [13.31]

Property Name	Physical Address [13.23(a)(ii)]	Property description and use [13.23(a)(iv)] [13.23(a)(v)] [13.23(a)(viii)]	Registered legal description [13.23(a)(fi)]	Land area (m ²)	Building rentable area (GLA)	Approx. age of building (years) [13.23(a)]	Valuation (R) [13.23(a)]
UTI Pharma	1 Meadowview Lane, Meadowview Business Estate, West, Linbro Park, Gauteng	Distribution centre warehouse & offices Freehold	Portion 3 of Erf 100 Linbro Park Ext. 86, IR, Gauteng	67,967m ²	39,801m ²	3 years	R808,250,000 01/07/2015
Premier Foods	2 Meadowview Lane, Meadowview Business Estate, West, Linbro Park, Gauteng	Industrial warehouse & offices Freehold	Portion 4 of Erf 100 Linbro Park Ext. 86, IR, Gauteng	19,300m ²	8,283m ²	2 years	R80,100,000 01/07/2015
DHL Pharma	6 Meadowview Lane, Meadowview Business Estate, East, Linbro Park, Gauteng	Industrial warehouse & offices Freehold	Portion 1 of Erf 100 Linbro Park Ext. 86, IR, Gauteng	14,476m ²	6,250m ²	2 years	R52,500,000 01/07/2015
ESCO	87 Hilton Road, Meadowview Business Estate, West, Linbro Park, Gauteng	Industrial warehouse & offices Freehold	Portion 1 of Erf 104 Linbro Park Ext. 86, IR, Gauteng	11,176m ²	5,000m ²	2 years	R52,000,000 01/07/2015
Triton Express	1 Gordon Avenue, Meadowview Business Estate, East, Linbro Park, Gauteng	Industrial workshop, warehouse & offices Freehold	Erf 85 Linbro Park Ext. 127	4,2643Ha	14,199m ²	2 years	R193,000,000 01/07/2015
Triton Fleet	1 Price Lane, Meadowview Business Estate, East, Linbro Park, Gauteng	Industrial workshop & offices Freehold	Erf 88 Linbro Park Ext. 127	4,375m ²	1,117m ²	2 years	R27,500,000 01/07/2015
MTN Tower	1 Price Lane, Meadowview Business Estate, East, Linbro Park, Gauteng	MTN mast & vacant land Freehold	Erf 87 Linbro Park Ext. 127	1,157m ²	112m ²	4 years	R2,063,500 01/07/2015
ATC Tower	Meadowview Business Park, Gauteng	ATC mast Freehold	Portion of AH 73 Linbro Park Ext. 127	98m ²	98m ²	2 years	R950,000 01/07/2015
8 Melville Road Office Block	8 Melville Road, Illovo Boulevard, Gauteng	Offices Freehold 50% share	Erf 30 Illovo	3,718m ²	3,960m ²	2 years	R61,000,000 01/07/2015

Property Name	Physical Address	Property description and use	Registered legal description	Land area (m²)	Building rentable area (GLA)[13.23(a)(x)]	Approx. age of building (years)	Valuation (R)
[13.23(a)(ii)]	[13.23(a)(iv)]	[13.23(a)(v)]	[13.23(a)(ii)]	[13.23(a)(viii)]	[13.23(a)(x)]	Valuation Date	
Equity Park Office Park	Equity Park, C/o Brooklyn & Lynwood Roads, Brooklyn, Gauteng	Offices	Erf 861 Brooklyn	7,694m ²	3,200m ²	3 years	R51,500,000 01/07/2015
Wasteman	Saxdowne Business Park, Hagley, Cape Town	Industrial workshop & offices Freehold	Ptn 5 of Farm No. 1327, Stellenbosch RD, Western Cape Province	3,4261Ha	4,066m ²	2 Years	R59,650,000 01/07/2015
Formscaff	Saxdowne Business Park, Hagley, Cape Town	Industrial warehouse & offices Freehold	Ptn 7 of Farm Dummies No. 441, Stellenbosch RD, Western Cape Province	3,0140Ha	1,828m ²	3 Years	R29,500,000 01/07/2015
Midas	Meadowview Business Estate, East, Linbro Park, Gauteng	Industrial warehouse & offices Freehold	Erf 90 Linbro Park Ext. 127	4,8993Ha	20,000m ²	< 1 Year	R234,500,000 01/07/2015

2. BASIS AND METHOD OF VALUATION [13.23 (d)]

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:

- a willing seller and a willing buyer in a market;
- 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
- 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.

The calculation of the market value of the properties have 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 reflects a yield rate relationship between revenue and capital value. This rate is an accurate determinant of the capitalisation rate.

Discounted cash flow values have, however, also been calculated for the property as a check to ensure that the capitalised value calculated is consistent with market norms and expectations.

The considerations for the capitalised valuations assume no vacancies and are based on a fully let tenancy profile. There is a vacancy in the office building described as Equity Park (of some 239m²). This will be the subject of an income guarantee with the Sellers for a period of three years. [13.23(f)(i)]

Well profiled properties which are offered on the market at realistic rentals generally lease relatively quickly, underwriting the demand in the area.

The valuation calculations are based on the following:

- a) calculating the forward cash flow of all contractual and other income from the property;
- b) 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;
- c) 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. There is no loss of rental as a result of these activities. We have allocated provisions for Repairs and Maintenance to the valuation for the properties which are not let in terms of Fully Repairing and Insuring Leases.[13.23f(ii)];
- d) generally the rentals are market related. This has been determined by comparing similar buildings in comparable areas to the property valued, in terms of rental per square metre. The rental rates have also been checked against various published indices including the South African Property Owners Association (SAPOA/ IPD) index. Where some of the accommodation is over-rented, or that cannot be re-rented at the same or higher rental rate should such property become vacant, the Discounted Cash Flow Calculations will revert to market rentals on expiry of those leases. Notwithstanding this there is therefore minimal potential for rental flow reversion. There is however, a positive upside potential for real growth in rental. 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));
- e) capitalising the net contractual income derived from the property for a period of one year in advance, calculated from 1st July 2015;
- f) the valuations have considered published market statistics regarding rental rates and expenditure for the different types of property. It is also considered numerous other portfolios of similar property in order to determine if any property are over rented or have excessive expenditure.

3. VACANT OR SPARE LAND

The following are the vacant land parcels forming part of this portfolio. Residual or spare land has been included in the income profiles of properties where there is yard or on-site parking.

No	Land	Nature, and a brief description of the proposed development [13.26 (b)]	Planning Permission has been applied for [13.26 (a)]	Planning Permission granted or refused and the Date of such Grant or Refusal [13.26 (a)]	Expected Development Commencement Date [13.26 (c)]	Expected Development Duration [13.26 (d)]	Expected Total Cost of Development [13.26 (e)]	Expected Completion Date	Market Value
1	Limbro Park Ext. 127	Erf 92 measuring 15,141m ²	Yes	Granted – 27 October 2014	N/A	N/A	N/A	N/A	R19,683,300
2	Limbro Park Ext. 93	Proposed Erf 1 measuring 27,349m ²	Yes	Awaiting approval	N/A	N/A	N/A	N/A	R21,879,200
3	Limbro Park Ext. 99	Erven to be registered measuring 17,278m ²	14 July 2014	Awaited	N/A	N/A	N/A	N/A	R22,461,400
4	Limbro Park Ext. 132	Erven 98 & 99 measuring 17,453m ²	Yes	Excision Application submitted to Minister of Public Works for signature	Approval of Excision of Agricultural Holding from Minister of Public Works: 24 July 2014	N/A	N/A	N/A	R22,688,900
5	Limbro Park Ext. 86	Portion 2 of Erf 100 measuring 9,119m ²	Yes	Granted – 9 February 2011	N/A	N/A	N/A	N/A	R9,214,400
6	Limbro Park Ext. 86	Rem Erf 104 measuring 8,526m ²	Yes	Granted – 9 February 2011	N/A	N/A	N/A	N/A	R9,883,900
7	Limbro Park Ext. 127	Erf 86 measuring 4,350m ²	Yes	Approved 27 October 2014	N/A	N/A	N/A	N/A	R5,655,000

No	Land	Nature, and a brief description of the proposed development [13.26 (b)]	Planning Permission has been applied for [13.26 (a)]	Planning Permission Application has been granted or refused and the Date of such Grant or Refusal [13.26 (a)]				Expected Development Commencement Date [13.26 (c)]	Expected Development Duration [13.26 (d)]	Expected Total Cost of Development [13.26 (e)]	Expected Completion Date	Market Value
				Yes	No	Approved	Refused					
8	Limbro Park Ext 127	Erf 89 measuring 5,523m ²	Yes	Approved 27 October 2014			N/A	N/A	N/A	N/A	R5,652,400	
9	Limbro Park Ext 127	Erf 91 measuring 4,0826Ha	Yes	Approved 27 October 2014			N/A	N/A	N/A	N/A	R53,073,800	
10	Proposed 215 (a) Portion of the Remainder of Portion 67) of the Farm Modderfontein No, 35, IR	Unregistered & Unzoned Portion of roadway as per Unregistered S. G. Diagrams totalling 13,915m ²	Not confirmed	Not confirmed			N/A	N/A	N/A	N/A	R11,132,000	
11	Saxdown Park	Erf 4131 Hagley, Cape Town measuring 1.8867ha	Yes	Approved 8 May 2013			N/A	N/A	N/A	N/A	R15,093,600	
12	Saxdown Park	Erf 4132 Hagley, Cape Town measuring 1.6236Ha	Yes	Approved 8 May 2013			N/A	N/A	N/A	N/A	R12,988,800	
13	Saxdown Park	Erf 4146 Hagley, Cape Town measuring 2.3195Ha	Yes	Awaiting			N/A	N/A	N/A	N/A	R18,556,000	

NOTE: There are no immediate development plans for these portions of land.

4. 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 property; large exposure to a single tenant; potential tenant failure due to over-rent; 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.

I have, to the best of my knowledge, considered all of these aspects in the valuation of the property. The property is not prejudiced in value by the influence of the above factors.

The valuer is however not responsible for the competent daily management of the property 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.

5. OTHER GENERAL MATTERS AND VALUATION SUMMARY

A full valuation report will be for inspection available detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Equities Property Fund Limited.

6. ALTERNATIVE USE FOR THE PROPERTY

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

7. OTHER COMMENTS

Our valuations exclude any amounts of Value-added Tax, transfer duty, or securities transfer duty.

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 valuations are 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 property. The valuations exclude any provision for capital expenditure, which – we are advised, has been provided for in the portfolio cash flow budgets. It is assumed that there is adequate provision to sustain the income levels projected.

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

I have received copies of the leases of the 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.

I have further compared certain expenditure items given to me, 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 performances of the properties in order to assess potential expenditure going forward.

All areas quoted within the detailed valuation reports will be 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.

The properties have been valued in their existing states, before allocations of capital expenditure. I have not carried out any structural surveys, nor inspected those areas that are unexposed or inaccessible, neither have I arranged for the testing of any electrical or other services.

The valuations assume that formal environmental assessments are not required and further that the properties are not environmentally impaired or contaminated, unless otherwise stated in our reports. [13.23(a)(xii)]

The properties are not situated outside the Republic of South Africa.[Section 13.28]

8. SOURCES OF INFORMATION [13.23 a (xiii)]

Information relating to the Property has been obtained and, where applicable, verified, from:

- Property Managers
- Our physical inspection of the properties on or about 17th June 2015 confirming the nature of improvements and the tenancies reflected in the lease schedules.
- A lease audit being undertaken by ourselves.
- Equities Property Fund
- Deeds Office; and Surveyor General's Office & Local Authorities for verification of the Title Deeds, Erf diagrams, Municipal Valuations and Town Planning conditions.
- The Sellers
- SAPOA/IPD Index with regards to vacancy surveys, comparable market rentals, operating expense profiles, annualised rental and expense growth plus the Discount and Capitalisation Rate surveys.
- The Rode Report to confirm those fundamentals referred to in the point above.

9. TOWN PLANNING RESTRICTIONS/CONDITIONS AND MATERIAL CONTRAVENTIONS OF STATUTORY REQUIREMENTS [13.23 a (vi)&(vii)]

Full town planning details and title deeds have been supplied in the detailed valuation reports including conditions and restrictions and the property has 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 the property.

The valuations have 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.

10. LEASES [13.23 a (ix)]

Our valuations have been based upon a lease audit and physical inspection of the property confirming the actual tenant leases supplied to us by the owners and managing agents.

Contractual escalations range from 7.5% to 8.50% going forward and virtually all rentals detailed in this report are from existing contractual leases.

In respect of the properties – most of the leases are designed so that the expenses are paid by the Tenants.

There are no intra-group leases other than the rental guarantee for the unlet office suite in Equity Park and the rental guarantee for UTI Pharm. [13.23(a)(xi)].

Save for considered assumptions being made with regard the renewal of leases, we confirm that the current rental income being achieved in the portfolio does not materially differ from the estimated future rental income. [13.29].

11. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

The tenant in the UTI Pharm property has a right of first refusal to acquire the same property. To my knowledge there are no other 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 property. The terms of which do not include any factors which affect value and therefore do not affect my calculations. [13.23(g)]

12. CONCLUSION

I confirm that to the best of my knowledge and belief there:

- are no options held by any third parties to purchase the Properties – other than the UTI Pharm agreement; [13.23(h)]
- have been no material changes between the date of the valuations and the last practicable date in any circumstances relating to the Properties, which would affect the valuation thereof.[13.23(c)]

I confirm that I have no pecuniary interest that would conflict with proper valuations of the Properties by the Fund, other than normal professional fees. With 24 years' experience in property valuation, the undersigned is qualified to express an opinion on the value of the Properties.

Yours faithfully

MILLS FITCHET MAGNUS PENNY



M. R. B. Gibbons

Nat. Dip. Prop. Val. MIV(SA) MRICS

Professional Valuer

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

(Registration No. 4127)

Suite 303, 3rd Floor, Newspaper House, 122 St. George's Mall, Cape Town, 8001"

VENDORS

The names, addresses, amounts paid and ultimate beneficiaries/shareholders of the vendors of Intaprop are set out below.

Name of vendor and percentage held:	Henlizer Investment Trust (18%)
Address of vendor:	60 Cradock Avenue, Dunkeld, Johannesburg
Amounts payable:	R81 844 741.37
Amount payable for goodwill or items of a similar nature:	N/A
Name of beneficial shareholders of the vendor:	André Jacques Gouws, Chantel Elize Gouws, André Henri Gouws, Chantel Lize Gouws; Tiaan Jacques Gouws

Name of vendor and percentage held:	Norman Donald Campbell Whale (17%)
Address of vendor:	Piazza Santo Spirito 14, Firenze, Italy, 50125
Amounts payable:	R77 297 811.30
Amount payable for goodwill or items of a similar nature:	N/A
Name of beneficial shareholders of the vendor:	N/A

Name of vendor and percentage held:	Timothy Alexander Middleton (17%)
Address of vendor:	4 The Chase, Joy Lane, Whitstable, Kent, CT54QX, United Kingdom
Amounts payable:	R77 297 811.30
Amount payable for goodwill or items of a similar nature:	N/A
Name of beneficial shareholders of the vendor:	N/A

Name of vendor and percentage held:	Pendennis Investment Trust (17%)
Address of vendor:	Bona Dea Estate, Camphill Road, Hemel-en-Aarde Valley, Hermanus
Amounts payable:	R77 297 811.30
Amount payable for goodwill or items of a similar nature:	N/A
Name of beneficial shareholders of the vendor:	Robert Charles Johnson; Whanadi Johnson; Ian Robert Johnson; Lucy Anne Johnson

Name of vendor and percentage held: Kingsley Alexander Trust (15%)
 Address of vendor: 44 6th Avenue, Illovo, Johannesburg
 Amounts payable: R68 203 951.15
 Amount payable for goodwill or items of a similar nature: N/A
 Name of beneficial shareholders of the vendor: Marvin Hugh Alexander Stroud; Peta-Anne Kingsley Stroud; James John Kingsley Stroud; Anthony Alexander Kingsley Stroud; Thomas Andrew Kingsley Stroud

Name of vendor and percentage held: Archangel Trust (7.5%)
 Address of vendor: 60 Cradock Avenue, Dunkeld, Johannesburg
 Amounts payable: R34 101 975.57
 Amount payable for goodwill or items of a similar nature: N/A
 Name of beneficial shareholders of the vendor: Carolyn Anne Mitchell; Kean Mitchell; Taigie Mitchell; Sarah Cathryn Mitchell; Caelum Mitchell

Name of vendor and percentage held: Richentan Familie Trust (7.5%)
 Address of vendor: 44 Van der Merwe Crescent, Welgemoed, Cape Town
 Amounts payable: R34 101 975.57
 Amount payable for goodwill or items of a similar nature: N/A
 Name of beneficial shareholders of the vendor: Hendrik Gideon Van Zyl; Tania Mary Van Zyl; Ulrich Van Zyl

Name of vendor and percentage held: Taking Time Trust (1%)
 Address of vendor: 60 Cradock Avenue, Dunkeld, Johannesburg
 Amounts payable: R4 546 930.08
 Amount payable for goodwill or items of a similar nature: N/A
 Name of beneficial shareholders of the vendor: Coenraad Hendrik Kotze; Natasha Adriana Kotze; Alana Kotze

DIRECTORS' INTERESTS IN TRANSACTIONS

Set out below is the nature and extent of any material beneficial interests, whether direct or indirect, of directors of the group, including a director who has resigned during the last 18 months, in transactions that were effected by the Equites.

Transaction:	Acquisition by Equites of 100% of the shares and claims of Swish Property Seven Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	La Famiglia Trust owned 50.00% of Swish Property Seven Proprietary Limited
Nature and extent of directors' beneficial interest:	Giancarlo Lanfranchi is a beneficiary of the La Famiglia Trust
Transaction:	Acquisition by Equites of 100% of the shares and claims of Prop for list Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Swish Property Eleven (Proprietary) Limited owned 100.00% of Prop for list Proprietary Limited
Nature and extent of directors' beneficial interest:	Giancarlo Lanfranchi owns 100% of Swish Property Eleven (Proprietary) Limited
Transaction:	Acquisition by Equites of 100% of the shares and claims of Galt Property One Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Chiluan Holdings owned 50.00% and Skymax Trust owned 50.00% of Galt Property One Proprietary Limited
Nature and extent of directors' beneficial interest:	Andrea Taverna-Turisan owns 100% of Chiluan Holdings and Giancarlo Lanfranchi is a beneficiary of the Skymax Trust
Transaction:	Acquisition by Equites of 100% of the shares and claims of Galt Property Two Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Chiluan Holdings owned 50.00% and Skymax Trust owned 50.00% of Galt Property Two Proprietary Limited
Nature and extent of directors' beneficial interest:	Andrea Taverna-Turisan owns 100% of Chiluan Holdings and Giancarlo Lanfranchi is a beneficiary of the Skymax Trust
Transaction:	Acquisition by Equites of 100% of the shares and claims of Applemint Properties 93 Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Anke & Sebastian Family Trust owned 33.00% and Kevin Dreyer owned 34.00% of Applemint Properties 93 Proprietary Limited
Nature and extent of directors' beneficial interest:	Johnny Cullum is a beneficiary of the Anke & Sebastian Family Trust

Transaction:	Acquisition by Equites of 100% of the shares and claims of Kovacs Investments 715 Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Anke & Sebastian Family Trust owned 33.33% and Kevin Dreyer owned 33.33% of Kovacs Investments 715 Proprietary Limited
Nature and extent of directors' beneficial interest:	Johnny Cullum is a beneficiary of the Anke & Sebastian Family Trust
Transaction:	Acquisition by Equites of 50% of the shares and claims of Dormell Properties 711 Proprietary Limited in terms of the pre-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	C-Shell 374 (Proprietary) Limited owned 100.00% of Dormell Properties 711 Proprietary Limited
Nature and extent of directors' beneficial interest:	Johnny Cullum owns 21.26% and Kevin Dreyer owns 20.83% of Dormell Properties 711 Proprietary Limited
Transaction:	Acquisition by Equites of 100% of the rental enterprise known as Belvedere in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Gamlan Investments Proprietary Limited owned 100.00% of Belvedere
Nature and extent of directors' beneficial interest:	Giancarlo Lanfranchi owns 100.00% of Gamlan Investments Proprietary Limited
Transaction:	Acquisition by Equites of 100% of the rental enterprise known as D'urban Square in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Gamlan Investments Proprietary Limited owned 100.00% of D'urban Square
Nature and extent of directors' beneficial interest:	Giancarlo Lanfranchi owns 100.00% of Gamlan Investments Proprietary Limited
Transaction:	Acquisition by Equites of 100% of the rental enterprise known as Simba in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Tradefirm 150 Proprietary Limited owned 100.00% of Simba
Nature and extent of directors' beneficial interest:	Andrea Taverna-Turisan owns 100.00% of Tradefirm 150 Proprietary Limited
Transaction:	Acquisition by Equites of 100% of the rental enterprise known as Printers Way in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Tradefirm 150 Proprietary Limited owned 100.00% of Printers Way
Nature and extent of directors' beneficial interest:	Andrea Taverna-Turisan owns 100.00% of Tradefirm 150 Proprietary Limited
Transaction:	Acquisition by Equites of 100% of the rental enterprise known as 57 Aviation in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014
Name of vendor:	Co-Props 136 Proprietary Limited owned 100.00% of 57 Aviation
Nature and extent of directors' beneficial interest:	Johnny Cullum owns 34.00% and Kevin Dreyer owns 33.00% of Co-Props 136 Proprietary Limited

EQUITES PROPERTY FUND LIMITED

Transaction: Acquisition by Equites of 100% of the rental enterprise known as 67A Manhattan in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014

Name of vendor: Zatoka Investments (Proprietary) Limited owned 100.00% of 67A Manhattan

Nature and extent of directors' beneficial interest: Johnny Cullum owns 38.00% and Kevin Dreyer owns 25.00% of Zatoka Investments (Proprietary) Limited

Transaction: Acquisition by Equites of 100% of the rental enterprise known as Execujet Office Tower in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014

Name of vendor: C-Shell 374 (Proprietary) Limited owned 100.00% of Execujet Office Tower

Nature and extent of directors' beneficial interest: Johnny Cullum owns 21.26% and Kevin Dreyer owns 20.83% of C-Shell 374 (Proprietary) Limited

Transaction: Acquisition by Equites of 100% of the rental enterprise known as Execujet Wings in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014

Name of vendor: C-Shell 374 (Proprietary) Limited owned 100.00% of Execujet Wings

Nature and extent of directors' beneficial interest: Johnny Cullum owns 21.26% and Kevin Dreyer owns 20.83% of C-Shell 374 (Proprietary) Limited

Transaction: Acquisition by Equites of 100% of the rental enterprise known as 18 – 22 Montreal in terms of the post-listing acquisitions as set out in the pre-listing statement issued on 6 June 2014

Name of vendor: Dreamfair Properties 35 (Proprietary) Limited owned 100.00% of 18 – 22 Montreal

Nature and extent of directors' beneficial interest: Johnny Cullum owns 34.00% and Kevin Dreyer owns 33.00% of Dreamfair Properties 35 (Proprietary) Limited

Transaction: Acquisition of all of the issued shares and claims in Nascispan Proprietary Limited as announced on SENS on 30 September 2014

Name of vendor: Chiluan Holdings Proprietary Limited owned 33.33%, Skymax Trust owned 33.33% and Riaan Gous owned 33.33 % of Nascispan Proprietary Limited

Nature and extent of directors' beneficial interest: Andrea Taverna-Turisan owned 100% of Chiluan Holdings and Giancarlo Lanfranchi is a beneficiary of the Skymax Trust

Transaction: Acquisition of all of the rental enterprise known as Attyard as announced on SENS on 30 September 2014

Name of vendor: Tradefirm 150 Proprietary Limited owned 100.00% of Attyard

Nature and extent of directors' beneficial interest: Andrea Taverna-Turisan owns 100.00% of Tradefirm 150 Proprietary Limited

MATERIAL BORROWINGS

1. MATERIAL BORROWINGS OF EQUITES

The following material loans were made to the company and its subsidiaries as at the last practical date.

No.	Lender	Description	Origination	Capital amount outstanding (R'000)	Interest rate	Facility	Capital repayments	Security	Maturity date
1.	Nedbank	Term Facility	Fund acquisitions and development	127 372	Prime less 1.6%	Floating	Monthly	Secured by mortgage bonds over investment property	31-Aug-19

2. MATERIAL BORROWINGS OF INTAPROP

The following material loans were made to Intaprop and its subsidiaries as at the last practical date.

No.	Lender	Description	Origination	Capital amount outstanding (R'000)	Interest rate	Facility	Capital repayments	Security	Maturity date
1.	Nedbank	Term Facility	Fund development	35 137	Prime less 0.6%	Floating	Monthly	Secured by mortgage bonds over investment property	01-Mar-23
2.	Nedbank	Term Facility	Fund development	25 628	Prime less 0.25%	Floating	Monthly	Secured by mortgage bonds over investment property	30-Sep-18
3.	Nedbank	Term Facility	Fund development	15 936	Prime less 0.25%	Floating	Monthly	Secured by mortgage bonds over investment property	31-Aug-19

No.	Lender	Description	Origination	Capital amount outstanding (R'000)	Interest rate	Facility	Capital repayments	Security	Maturity date
4.	Nedbank	Term Facility	Fund acquisition and development	19 722	Prime	Floating	Monthly	Secured by mortgage bonds over investment property	31-Jan-16
5.	RMB	Term Facility	Fund development	27 651	10.01%	Fixed	Monthly	Secured by mortgage bonds over investment property	31-Jan-18
6.	Nedbank	Term Facility	Fund development	548 145	Prime less 0.8%	Floating	Monthly	Secured by mortgage bonds over investment property	31-Aug-22
7.	Nedbank	Term Facility	Fund development	122 952	Prime less 0.5%	Floating	Monthly	Secured by mortgage bonds over investment property	01-Sep-24
8.	Nedbank	Term Facility	Fund development	213 689	Prime less 1.5%	Floating	Monthly	Secured by mortgage bonds over investment property	31-Mar-19
9.	Nedbank	Term Facility	Fund development	52 849	Prime less 0.6%	Floating	Monthly	Secured by mortgage bonds over investment property	30-Jun-24
10.	Nedbank	Term Facility	Fund development	30 312	Prime less 0.75%	Floating	Monthly	Secured by mortgage bonds over investment property	31-Aug-24
11.	Nedbank	Term Facility	Fund development	17 000	Prime	Floating	Monthly	Secured by mortgage bonds over investment property	01-Nov-19
12.	Nedbank	Term Facility	Fund development	38 132	Prime less 0.5%	Floating	Monthly	Secured by mortgage bonds over investment property	01-Jan-22
13.	Nedbank	Term Facility	Fund acquisition and development	64 705	Prime	Floating	Monthly	Secured by mortgage bonds over investment property	01-Dec-15
14.	Brait	Term Facility	Repurchase of shares	142 072	Prime	Floating	Periodic	Secured by pledge on shares	01-Nov-15

Note: Amounts falling due in the next 12 months will be settled out of Equites' existing undrawn facilities.

MATERIAL CONTRACTS OF INTAPROP

1. THE BRAIT TRANSACTION

1.1. The sale of shares and claims agreement

- 1.1.1. In terms of the sale of shares and claims agreement dated 27 May 2015, Intaprop has entered into an agreement with Brait Mauritius in terms of which Intaprop will acquire the remaining 40% in Chamber Lane that it does not already own. The purchase price in respect of the shares and claims in Chamber Lane is an amount of R174 000 000 which will be settled as follows:
 - 1.1.1.1. the first tranche in an amount of R33 000 000 was settled on Friday, 12 June 2015; and
 - 1.1.1.2. the second tranche in an amount of R141 000 000 will be settled on Sunday, 1 November 2015.
- 1.1.2. Interest will accrue on the second tranche of the purchase price at the prime rate from 1 June 2015, being the effective date of the Brait transaction, to the earlier of the date on which the full amount of the purchase price and accrued interest thereon has been paid to Brait Mauritius and 31 October 2015.
- 1.1.3. The Brait transaction will result in Chamber Lane becoming a wholly-owned subsidiary of Intaprop prior to the implementation of the transaction referred to in paragraph 3 of the circular.

1.2. The pledge and cession agreement

- 1.2.1. As security for due and punctual performance of its payment obligations in terms the sale of shares and claims agreement referred to in paragraph 1.1 above, Intaprop has given a written cession and pledge in security dated 26 May 2015 in favour of Brait Mauritius. Under the pledge and cession agreement, Intaprop, amongst other things, pledges the shares equal to 40% of the total issued shares of Chamber Lane and cedes claims equal to 40% of the value of the current and future claims against Chamber Lane.
- 1.2.2. The pledge and cession agreement is effective from 26 May 2015 and will not be terminated prior to the date on which the purchase price in respect of 40% of the shares and claims in Chamber Lane has been irrevocably and unconditionally discharged in full.

2. THE DEVELOPMENT AGREEMENT

- 2.1. Equites concluded an agreement dated 2 July 2015 in terms of which Equites has agreed to appoint the developer, with effect from the acquisition agreement becoming unconditional and for a period of three years, to undertake developments in the form of the construction of buildings and the leasing of buildings on the undeveloped properties set out in **Annexure 8**.
- 2.2. The parties to the agreement agree that they will refer all opportunities to develop buildings for tenants ("**development opportunities**") to the developer for presentation to Equites for approval. The developer must submit a development proposal in respect of each development opportunity. Equites will be entitled to approve or reject any of the development proposals. If Equites does not approve a development proposal within 20 business days after submission of the relevant development proposal to Equites, the developer will be entitled to deal with the development opportunity in respect of which the development proposal was submitted as it deems fit.

2.3. If the parties fail to agree on the terms and conditions on which a development opportunity procured by Equites will be implemented by the developer, then in such event Equites will be entitled to implement the development opportunity as it deems fit without any involvement of the developer.

2.4. Equites will pay the developer:

2.4.1. a development fee equal to 3.5% of the development cost which is all the items of expenditure necessary to develop the building to completion including agent's commission. The development fee will be payable to the developer on an invoice basis as set out in the approved budget as the case may be. The parties to the development agreement agree that the budgets will provide for the fees to be paid in instalments *pro rata* to the value of the work then complete expressed as a percentage of the total cost provided for in the budget; and

2.4.2. a fee equal to 50% of the development premium, calculated as follows:

$$A = \left[\left(\frac{D}{B} \right) - \left(\frac{D}{C} \right) \right]$$

Where

A, is the Development Premium;

B, is the Actual Yield calculated in accordance with clause 2.4.2.1;

C, is the Base Rate calculated in accordance with clause 2.4.2.2; and

D, is the Net Rental Income.

2.4.2.1. For the purposes of the calculation of "A", the "Actual Yield" will be calculated as follows:

$$A = (B \times 100) / C$$

Where

A, is the Actual Yield, expressed as a percentage;

B, is the Net Rental Income of the building for the period of 12 months from the commencement of the lease agreement; and

C, is the Total Cost of the development.

2.4.2.2. For purposes of the calculation of “C”, the “Base Rate” will be calculated as follows:

2.4.2.2.1. If the Actual Yield is equal to or exceeds 10% (ten percent), the Base Rate is 9%;

2.4.2.2.2. If the Actual Yield is less than 10% but equals or exceeds 8.5%, the Base Rate is a percentage calculated in accordance with the following formula:

$$C = V - \left(\frac{W - X}{Y} \right) \times Z$$

Where

C, is the Base Rate, expressed as a percentage;

V, is 9%;

W, is 10%;

X, is the Actual Yield;

Y, is 0.25%; and

Z, is 0.2.

2.4.2.2.3. If the Actual Yield is less than 8.50% (eight comma five zero percent), the Base Rate is a percentage calculated in accordance with the following formula:

$$C = G - \left(\frac{H - I}{J} \right) \times K$$

Where

C, is the Base Rate, expressed as a percentage;

G, is 8%;

H, is 8.50%;

I, is the Actual Yield;

J, is 0.25%; and

K, is 0.1.

2.4.3. The development premium will be paid to the developer in cash, within ten business days after the determination of the development premium by the auditors of Equites has become final and binding on the parties to the development agreement.



EQUITES PROPERTY FUND LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 2013/080877/06)
JSE share code: EQU ISIN: ZAE000188843
(Approved as a REIT by the JSE)
(“**Equites**” or “**the company**”)

Directors of the company

Leon Campher (*Chairman, Independent non-executive director*)
Giancarlo Lanfranchi (*Deputy chairman, non-independent non-executive director*)
Andrea Taverna-Turisan (*Chief executive officer*)
Bram Goossens (*Executive financial director*)
Riaan Gous (*Chief operating officer*)
Nazeem Khan (*Independent non-executive director*)
Ruth Benjamin-Swales (*Independent non-executive director*)
Kevin Dreyer (*Non-independent non-executive director*)
Johnny Cullum (*Non-independent non-executive director*)

NOTICE OF GENERAL MEETING OF EQUITES SHAREHOLDERS

Notice is hereby given that a general meeting of Equites shareholders will be held at 14th Floor, Portside Building, 4 Bree Street, Cape Town, 8000 at 10:00 on Monday, 31 August 2015 (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).

	2015
Last day to trade to be entitled to receive the notice of the general meeting	Friday, 17 July
Record date to be entitled to receive the notice of the general meeting	Friday, 24 July
Last day to trade to be entitled to participate in and vote at the general meeting	Friday, 14 August
Record date to be entitled to participate in and vote at the general meeting	Friday, 21 August

ORDINARY RESOLUTION 1 – Approval of the transaction

“RESOLVED THAT the proposed acquisition by Equites of Intaprop at the purchase consideration, and otherwise on the terms and subject to the conditions set out in the circular, be and is hereby approved.”

ORDINARY RESOLUTION 2 – Election of Andre Gouws as a director

“RESOLVED THAT, subject to the approval by shareholders of ordinary resolution number 1 for the implementation of the transaction as set out in this notice of annual general meeting, Mr Andre Gouws be and is hereby appointed as a non-executive director of the company, with effect from the closing date.”

A brief CV of Mr Andrew Gouws is set out below:

Name and age	André Jacques Gouws (43)
Qualification	B.Com, B.Compt (Hons), CA(SA)
Experience	<p>After completing a B.Com (Accounting) at the University of Pretoria and B.Compt (Hons.) at Unisa, André qualified as a Chartered Accountant in 1997.</p> <p>He served his articles at Fisher Hoffman Stride and joined the DigiCore Group on their listing in December 1998 where he was the Financial Director of DigiCore Fleet Management.</p> <p>He joined Intaprop in 2003 shortly after Intaprop established Kagiso Property Holdings in a joint venture with Kagiso Trust Investments and was the Financial Director of Kagiso Property Holdings from 2004 to 2007.</p> <p>Following a management buy-out of the property development division from the Kagiso Group on 1 July 2007, André was appointed the Managing Director of Intaprop and has been at the helm of this niche property development business ever since.</p>

ORDINARY RESOLUTION 3 – Authorisation of the directors

“RESOLVED THAT any one of the directors of Equites be and is hereby authorised to do all things and sign all documents required to give effect to and implement ordinary resolution 1 and 2 above.”

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, 2 and 3 above to be adopted, the support of more than 50% 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 Equites 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 Equites’ registered office. The completed forms of proxy must be deposited at or posted to the office of the transfer secretaries, Link Market Services South Africa (Proprietary) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000) to be received by not later than 10:00 on Thursday, 27 August 2015. Any Equites shareholder who completes and lodges a form of proxy 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, Link Market Services South Africa (Proprietary) Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Thursday, 27 August 2015.

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

Andrea Taverna-Turisan

Director

Equites Property Fund Limited

Registered address

14th Floor
Portside Building
4 Bree Street
Cape Town, 8000
(PO Box 10271, Cape Town, 2000)

Transfer secretaries

Link Market Services South Africa (Proprietary) Limited
(Registration number 2000/007239/07)
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
Johannesburg, 2001
(PO Box 4844, Johannesburg, 2000)

EQUITES PROPERTY FUND LIMITED

(Incorporated in the Republic of South Africa)
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 JSE share code: EQU ISIN: ZAE000188843
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Directors of the company

Leon Campher (<i>Chairman, Independent non-executive director</i>)	Andrea Taverna-Turisan (<i>Chief executive officer</i>)
Giancarlo Lanfranchi (<i>Deputy chairman, non-independent non-executive director</i>)	Ruth Benjamin-Swales (<i>Independent non-executive director</i>)
Riaan Gous (<i>Chief operating officer</i>)	Bram Goossens (<i>Executive financial director</i>)
Nazeem Khan (<i>Independent non-executive director</i>)	Kevin Dreyer (<i>Non-independent non-executive director</i>)
	Johnny Cullum (<i>Non-independent non-executive director</i>)

FORM OF PROXY – GENERAL MEETING OF EQUITES SHAREHOLDERS

For use by shareholders, who were registered as shareholders on Friday, 14 August 2015, holding certificated Equites 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 Monday, 31 August 2015 at the registered office of Equites at 14th Floor, Portside Building, 4 Bree Street, Cape Town, 8000.

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: ()

Cellphone number: ()

Email address:

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

1. _____ or failing him/her

2. _____ of failing him/her

3. _____ the chairperson of the general meeting of Equites 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 transaction			
Ordinary resolution 2 – Election of Andre Gouws as a non executive director			
Ordinary resolution 3 – Authorisation of the directors			

*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.

Signed this _____ day of _____ 2015

Signature _____

Assisted by me (where applicable) _____

(State capacity and full name) _____

A Equites 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 Equites.

Forms of proxy must be deposited at Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001, (PO Box 4844, Johannesburg, 2000) so as to arrive by no later than 10:00 on Thursday, 27 August 2015.

Please read the notes below 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 Equites. 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 Equites 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 Equites 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.

