



ACCELERATE PROPERTY FUND LIMITED
(formerly Encha Prime Investments Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF ISIN: ZAE000185815
("Accelerate" or "the Company")

PRE-LISTING STATEMENT

Prepared and issued in terms of the Listings Requirements of the JSE Limited relating to a Listing and a private placing by way of an Offer for subscription of up to 480 000 000 Shares in the share capital of Accelerate, subject to a minimum subscription amount of R2 047 956 000 being achieved, of which irrevocable subscription commitments have been received for R1.81 billion and a further R300 million has been underwritten by FirstRand Limited.

If the minimum subscription amount is not achieved, the Company shall not be obliged to proceed with the Listing and the Offer. Accelerate and/or the Board reserves the right at any time during the Offer and at their sole and absolute discretion to amend, deviate from or modify the Offer in the manner they think fit or to postpone, discontinue or terminate the Offer. The Offer set out in this Pre-listing Statement is open for acceptance by Qualifying Investors only.

It is currently estimated that the price at which the Shares will be offered for subscription pursuant to this Pre-listing Statement will be between R4.88 and R5.12 per Share. The price may however be outside this range.

| | |
|--|-----------------------------|
| Opening date of the Offer (09:00) | Wednesday, 27 November 2013 |
| Last date for Qualifying Investors to submit their Application Forms to Investec in order to be considered for the book build and qualify for participation in the Offer (12:00) | Tuesday, 3 December 2013 |
| Date on which Qualifying Investors will be notified of the number of Shares which they have been allocated in terms of the Offer (12:00) | Wednesday, 4 December 2013 |
| Offer price and results of Offer released on SENS | Thursday, 5 December 2013 |
| Last date for Qualifying Investors to make payment with respect to their allocated Shares (12:00) | Monday, 9 December 2013 |
| Accelerate Shares listed on the JSE (09:00) | Thursday, 12 December 2013 |

The definitions and interpretations commencing on page 13 of this Pre-listing Statement shall apply, *mutatis mutandis*, throughout this Pre-listing Statement.

For a single addressee acting as principal, Offers can only be made at an aggregate acquisition cost, of not less than R1 000 000.

The JSE has granted Accelerate a listing of up to 700 000 000 Shares in the "Real Estate" – Real Estate Holding and Development" sector of the Main Board of the JSE, under the abbreviated name "ACCPROP", share code "APF" and ISIN: ZAE000185815 subject to the Shareholder spread obligations of the Listings Requirements being obtained. At the date of Listing, the authorised share capital of Accelerate will comprise 10 000 000 000 no par value shares. The Company will have an issued share capital of between R3 193 444 056 and R3 268 973 840, comprising 638 688 811 fully paid no par value Shares at a price of R4.88 – R5.12 assuming the Offer is fully subscribed. All the Shares rank *pari passu* in all respects and, accordingly, no Share has any special rights to distributions, capital or profits of the Company. The Vendors have however, antecedently renounced the distributions payable in respect of the Shares issued to them relating to the bulk land being acquired by the Company under the Fourways Sale Agreements until such time as the bulk is developed and is income producing. There will be no other class of Shares authorised or in issue by Accelerate at the date of Listing. There are no Shares held in treasury.

This Pre-listing Statement is not an invitation to the public to purchase or subscribe for Shares in Accelerate, but is issued in terms of the Listings Requirements for the purpose of giving information to the public with regard to Accelerate.

Accelerate Shares will be traded only in electronic form and, as such, all Shareholders who elect to receive Shares in Certificated form will have to Dematerialise their Certificated Shares should they wish to trade therein.

The Directors, whose names are set out on page 1 of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the Listings Requirements.

The Corporate Advisor, Bookrunner and Sponsor, Lead Sponsor, Independent Reporting Accountants and Auditors, Attorneys, Communications Advisor, Transfer Secretaries and the Independent Valuers, whose names are set out in the "Corporate information and advisors section", have given and have not, prior to the publication of this Pre-listing Statement, withdrawn their written consents to the inclusion of their names in the capacities stated and, where applicable, to their reports being included in this Pre-listing Statement.

As the Offer is not an offer to the public as contemplated under the Companies Act, a copy of this Pre-listing Statement is not required to be registered with CIPC pursuant to the Companies Act.

An abridged version of this Pre-listing Statement will be released on SENS on Wednesday, 27 November 2013 and published in the press on Thursday, 28 November 2013.

This Pre-listing Statement is available only in English. Copies may be obtained from the registered offices of Accelerate, the Transfer Secretaries, the Corporate Advisor, Bookrunner and Sponsor, and the Lead Sponsor, details of which are set out in the "Corporate information and advisors" section of this Pre-listing Statement.

**Corporate Advisor, Bookrunner
and Sponsor**



Lead Sponsor



Attorneys



**Independent Reporting
Accountants and Auditors**



Communications Advisor



Independent Valuers



Date of issue: Wednesday, 27 November 2013

Offers in South Africa only

This Pre-listing Statement has been issued in connection with the Offer in South Africa only and is addressed only to persons to whom the Offer may lawfully be made. The distribution of this Pre-listing Statement and the making of the Offer may be restricted by law. Persons into whose possession this Pre-listing Statement comes must inform themselves about and observe any such restrictions. This Pre-listing Statement does not constitute an offer of, or invitation to subscribe for, any of the Shares in any jurisdiction in which such offer, subscription or sale would be unlawful. No one has taken any action that would permit an offering of Shares to occur outside of South Africa.

Forward-looking statements

This Pre-listing Statement includes forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of Accelerate and its future prospects. These forward-looking statements have been based on current expectations and projections about future results, which, although the Directors believe them to be reasonable, are not a guarantee of future performance.

CORPORATE INFORMATION AND ADVISORS

Directors of Accelerate*

TT Mboweni (*Non-executive Chairman*)
M Georgiou (*Chief Executive Officer*)
A Costa (*Chief Operating Officer*)
D Kyriakides (*Financial Director*)
JRJ Paterson (*Executive Director*)
GC Cruywagen (*Lead independent non-executive Director*)
JRP Doidge (*Independent non-executive Director*)
TJ Fearnhead (*Independent non-executive Director*)
K Madikizela (*Independent non-executive Director*)

Company Secretary

4 Syte Business Solutions Proprietary Limited
(Registration number 2008/012188/07)
Cedar Square Shopping Centre
1st Floor, corner Willow Avenue and Cedar Road
Fourways
2055
(Postnet Suite 1132, Private Bag X9, Benmore, 2010)
Represented by:
Dorotheos (Theo) Koutsoudis
Dip Law (Rand), Practising Attorney RSA
Angela Koutsoudis
Dip DBME (IIE), Financial Manager

Attorneys

Glyn Marais Inc.
(Registration number 1990/000849/21)
2nd Floor, The Place
1 Sandton Drive
Sandton
2196
(PO Box 652361, Benmore, 2010)

Independent Reporting Accountants and Auditors

Ernst & Young Inc.
(Registration number 2005/002308/21)
Wanderers Office Park
52 Corlett Drive
Illovo
2196
(PO Box 2322, Johannesburg, 2000)

Independent Valuer

MDK Consulting CC
(Registration number 2004/044624/23)
Plot 59
Hennops River
Centurion
0157
(PO Box 534, Fourways North, 2086)

Registered office of Accelerate

c/o Company Secretarial Services
Cedar Square Shopping Centre
1st Floor, corner Willow Avenue and Cedar Road
Fourways
2055

Place of incorporation: South Africa

Date of incorporation: 16 May 2005

Corporate Advisor, Bookrunner and Sponsor

The Corporate Finance division of
Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196
(PO Box 785700, Sandton, 2146)

Lead Sponsor

KPMG Services Proprietary Limited
(Registration number 1999/012876/07)
KPMG Crescent
85 Empire Road
Parktown
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Independent Valuer

Mills Fitchet (Tvl) cc
(Registration number CK 89/40464/23)
17 Tudor Park
61 Hillcrest Avenue
Oerder Park
2194

Independent Valuer

Promax Valuation Services
(Registration number 5703265068084)
5 Kingswood Lane
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2152
(PO Box 1855, Fourways, 2055)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg
2001
(PO Box 61051, Marshalltown, 2107)

Communications Advisor

Brunswick South Africa Limited
(Registration number 3080474)
23 Fricker Road
Illovo Boulevard
Illovo
2196
(PO Box 2603, Saxonwold, 2136)

* Two additional independent non-executive Directors with significant property related experience will be appointed to the Board post Listing and will form part of the Investment Committee

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SALIENT FEATURES

This summary contains the salient features of Accelerate and the Offer set out in this Pre-listing Statement, which should be read in its entirety for a complete understanding thereof. The definitions and interpretations disclosed on pages 13 to 24 to this Pre-listing Statement apply, *mutatis mutandis*, to the salient features as set out below:

I. NATURE OF BUSINESS AND PROSPECTS

I.1 Introduction

Accelerate is a property company (which will be classified as a REIT upon Listing), formed for the purpose of investing in direct real estate, for purposes of income generation and capital growth.

Accelerate's Property Portfolio comprises 51 well-established, strategically located properties across South Africa, including two prominent Regional Shopping Centres and guaranteed participation into a Super Regional Shopping Centre upon completion of the Development. The Property Portfolio also boasts a significant presence in the prominent Nodes within South Africa's commercial centres such as the Fourways Node in Johannesburg and the Foreshore Node in Cape Town. The Property Portfolio has been independently valued at R5 973 400 000 and comprises a total GLA of 440 520m², split as follows:

- Retail: 67%;
- Office: 22%;
- Industrial: 7%;
- Specialised retail: 4%.

In this context, Accelerate offers Qualifying Investors direct exposure to high-quality retail centres and other attractive priced properties in South Africa. It is the intention of Accelerate to maintain a strong retail bias within its Property Portfolio.

The Company is managed by a professional and committed management team with:

- extensive property experience;
- proven deal-making ability;
- the ability to successfully manage a strong, profitable and growing portfolio;
- a reputation in the industry for their ability to achieve the most out of property assets in order to maximise value;
- intricate knowledge of the Property Portfolio.

I.2 Key investment highlights

- Entry price into Accelerate is at a discount to NAV and at an attractive Yield relative to peers and the listed property sector;
- Property Portfolio within strategically located nodes;
- Well-positioned to deliver capital and income growth through strong existing tenant covenants;
- Access to properties which have previously not been available to the South African-listed property sector;
- Investing in a partnership with the renowned Georgiou family, one of the largest private owner of property in South Africa;
- Exposure to the future development of the Fourways Node (one of the fastest growing and most densely populated areas in Johannesburg) with close proximity to major schools, hospitals, middle to upper income residential areas, and other strategic locations such as Lanseria Airport;
- Guaranteed participation into a Super Regional Shopping Centre upon completion of the Development;
- Significant pipeline of further enhancing off-market properties and development opportunities;
- Geographic diversification within South Africa with property exposure in the Gauteng, Western Cape and Kwa-Zulu Natal regions;
- Significant exposure to the highly defensive retail sector;
- High quality tenants with 69% (by GLA) being national tenants; and
- Experienced management team with extensive property-related experience.

1.3 Future prospects and strategy

The long-term objective of Accelerate is to grow its asset base by investing in well-priced income-producing properties to optimise capital and income returns over time for Shareholders whilst maintaining a strong bias towards the defensive retail sector. The Company may also, from time to time, redevelop properties to enhance value and support longer-term income and capital growth.

The primary objectives of Accelerate are to:

- provide an income stream through the acquisition and redevelopment of retail, office and industrial investment properties;
- grow its asset base by investing in fairly valued income-producing properties;
- secure a well-diversified Property Portfolio that provides good growth opportunities;
- optimise and secure long-term distribution and capital growth;
- allow Shareholders to participate in the Net Income (after providing for related expenditure) by distributing significantly all the Net Income to Shareholders.

Post-Listing, Accelerate's immediate strategy to achieve the above objectives is set out below:

- Deliver income and capital growth:
 - At the Last Practicable Date the weighted average annual escalations across the Property Portfolio is 8.35%. Accelerate will seek to maintain the average escalations of its Property Portfolio at above long-term inflation targets;
 - Accelerate will pursue opportunities to achieve positive rental reversions and thus reduce the cost to income ratios within its Property Portfolio; and
 - Accelerate will seek to access the debt capital markets to further diversify its sources of funding.
- Grow its asset base and secure a diversified portfolio with a strong bias toward the defensive retail sector:
 - Accelerate will seek to access the unique pipeline of off-market acquisitions available to it through its affiliation with the Georgiou Group; and
 - Accelerate's pre-emptive rights over various iconic properties such as Parow Centre in the Western Cape Province and Loch Logan (the largest shopping centre in central South Africa) in Bloemfontein, Free State Province.
- Fourways Development, Fourways Mall Shopping Centre refurbishment and the upliftment of certain properties within the Property Portfolio:
 - Fourways Precinct will implement the Development to introduce an additional 90 000m² of retail space to the Fourways Mall Shopping Centre. Following the Development, the Fourways Mall Shopping centre will be a Super Regional Shopping Centre into which Accelerate will own an undivided share. As part of the Development, significant infrastructure and traffic upgrades to significantly improve access to the Fourways Mall Shopping Centre will be undertaken at the cost of Fourways Precinct, which will have significant benefits for Fourways Mall Shopping Centre and surrounding Accelerate properties;
 - Fourways Precinct will commence a refurbishment of the existing Fourways Mall Shopping Centre (at no cost to Accelerate) within 90 days of the Listing; and
 - As part of the Offer Accelerate will raise R65 million for the defensive upliftment of certain other properties within the Property Portfolio. The upliftment projects will commence immediately after the Listing.

Should the opportunity arise, Accelerate may consider the acquisition of additional immovable properties or investment in other listed property funds that will contribute favourably over time to the capital and income returns for Shareholders.

1.4 Listed property sector performance

The listed property sector has seen a wave of new listings since 2011, as a result of various factors including the demand for higher yielding investments in a low interest rate environment, introduction of the new REIT legislation, unlisted portfolios trying to benefit from cheaper listed equity capital for expansion and access to growing debt capital markets, amongst others. The introduction of REIT legislation has also provided an incentive for unlisted property companies to list their property portfolios on the JSE, in order to access the Capital Gains Tax and other benefits enjoyed by REITs.

The wave of new listings has brought with it a number of black economic empowerment funds, which have a strong focus on Government tenants. Since 2011, property listings on the JSE include: Arrowhead Properties Limited, Rebohis Property Fund Limited, Vunani Property Investment Fund, Dipula Income Fund Limited, Delta Property Fund Limited, Annuity Properties Limited, Ascension Properties Limited, Tower Property Fund Limited and more recently Attacq Limited and Investec Australia Property Fund.

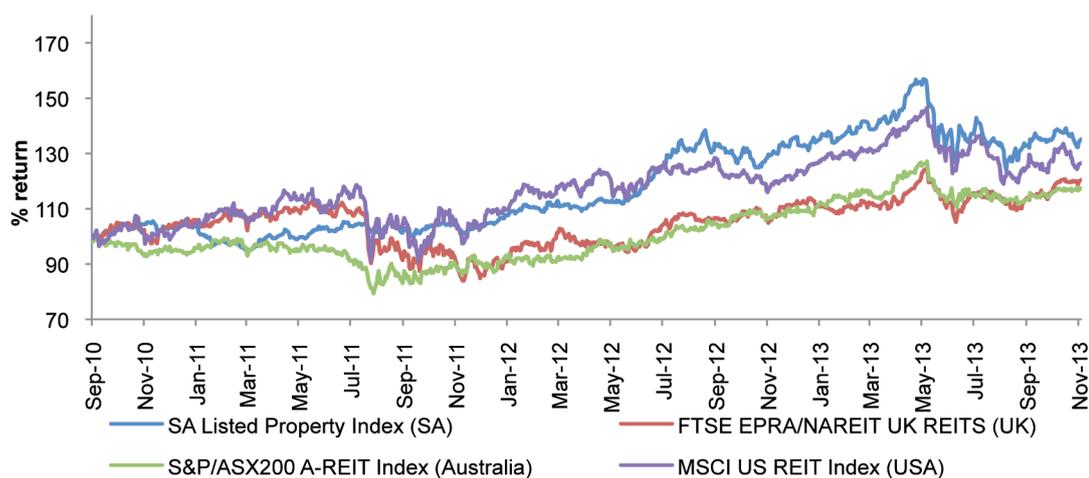
Performance

Due to low interest rates and strong investment flows in the past few years, the South African property market has rallied. 2012 was a particularly good year for property investors globally and in South Africa. The listed property sector in South Africa, represented by the JSAPY outperformed with total returns of 35.9% compared to 26.7% realised by the JSE All Share Index. The JSAPY has performed more moderately in 2013 with year to date total returns of c. 13% largely due to a structural increase in bond yields following comments made by the United States (“US”) Federal Reserve in May 2013 which hinted at a possible tapering of the US bond purchase programme (quantitative easing) should the US economic growth gain traction.

The impact of the above is that the cost of funding (both debt and equity) for property companies has increased from 2012 levels and, accordingly, property industry analysts do not expect the level of outperformance achieved in 2012 to be repeated in 2013 or 2014.

As illustrated in the graph below, the South African listed property sector has still outperformed its global counterparts over the past three years despite the recent volatility and sell-off:

Figure 1.1: Global property performance



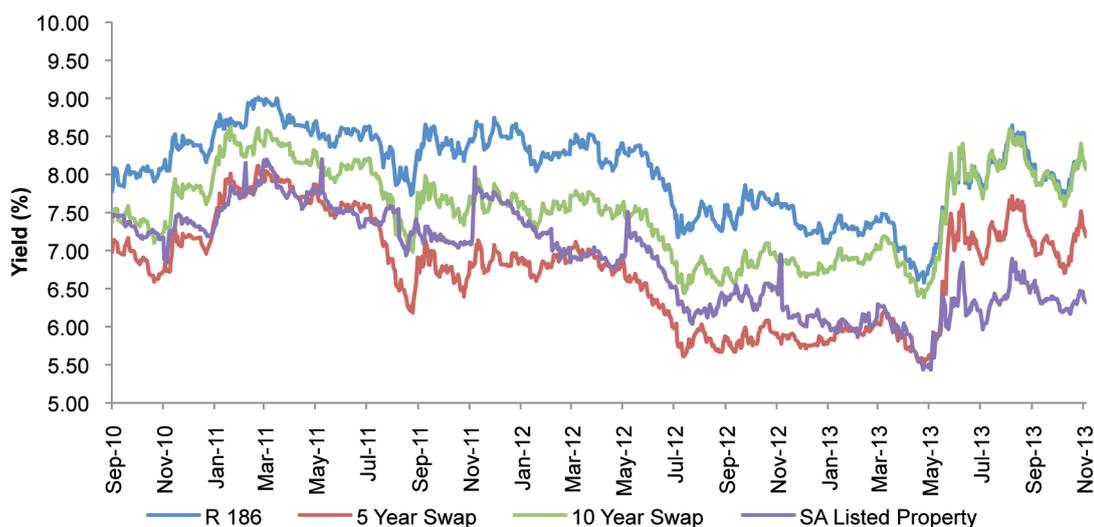
Source: Bloomberg

Property fundamentals

Notwithstanding the structural changes to the pricing of listed property equities relative to other investments with “fixed income” returns (bonds and cash deposits/money market investments) in May 2013, property fundamentals have not changed. The listed property sector offers investors a stable growing cash flow over time as well as consistent (albeit volatile in current market conditions) capital returns. As a proxy for fixed income investments the ability of the listed property sector to grow income over time on the back of fixed annual lease escalations is a key factor that differentiates listed property from cash and bonds. The income generated by cash and bonds is primarily fixed so they currently provide little or no protection against inflation.

At the Last Practicable Date the weighted average forward yield of the listed property sector (represented by the JSAPY) is c. 7.6%, which is lower than the average 8.4% offered by South African 10 year Government bonds, and higher than 5% earned on cash deposits. This is illustrated in the graph below. The listed property sector premium to long-term bonds reflects the higher growth prospects of listed property companies (linked to fixed annual lease escalations which are generally at or above inflation) versus long-term bonds (offering little or no protection against inflation).

Figure 1.2: Money market yields vs. historic SA Listed Property Yields



Source: Bloomberg

Prospects

Underpinned by property fundamentals as outlined above, the listed property sector is offering forecast growth of between 5% and 7% in 2014 which provides investors with attractive growth in income.

Physical property is generally still trading at higher yields than listed property (in a range of 7.5% to 9.5%) versus the sector's 7.6%, therefore unlisted property portfolios offer capital growth upside as they often enter the listed market at a discount to their existing listed counterparts.

1.5 REIT legislation

Amendments to the Income Tax Act have recently been promulgated and the newly incorporated REIT legislation came into effect on 1 April 2013.

Accelerate confirms that it will be granted REIT status by the JSE upon Listing as the following qualification requirements have and will be met:

- The Company will have gross property assets above R300 million as reflected in the *pro forma* statement of financial position as set out in Annexure 5 to this Pre-listing Statement;
- The Company is a property entity;
- A minimum of 75% of the Company's revenue, as reflected in the forecast statements of comprehensive income as set out in Annexure 7 to this Pre-listing Statement, is derived from rental revenue;
- The Company will distribute at least 75% of its total distributable profits as a distribution to shareholders by no later than six months after the Financial Year end, subject to the relevant solvency and liquidity test as defined in the Companies Act;
- The Company will, subject to the successful implementation of the Offer and the Listing, comply with the minimum income and shareholder spread requirements of the Main Board of the JSE;
- The Company will, to the best of the Directors' knowledge, qualify for a tax deduction of distributions under section 25BB(2) of the Income Tax Act for the current financial year;
- The Company's total consolidated liabilities is not more than 60% of the total consolidated assets as set out in Annexure 5 to this Pre-listing Statement; and
- The Accelerate Audit Committee has confirmed to the JSE that as part of its terms of reference it has adopted the policy referred to in paragraph 13.46 (h)(i) of the Listings Requirements and that the Company complies/will comply with the following provisions set out in the Listings Requirements:
 - Adopted and implemented an appropriate risk management policy, which policy as a minimum is in accordance with industry practice and specifically prohibits Accelerate from entering into any derivative transactions that are not in the normal course of Accelerate's business;

- Reporting in the annual report each year that the Audit Committee has monitored compliance with the policy and that Accelerate has, in all material respects, complied with the policy during the year concerned; and
- Reporting to the JSE, in the annual compliance declaration referred to in paragraph 13.49(d) of the Listings Requirements, that the Audit Committee has monitored compliance with the policy and that Accelerate has, in all material respects, complied with the policy during the year concerned.
- The Company and the Board will comply with the general continuing obligations imposed by the JSE and more specifically those set out in Section 13.49 of the Listings Requirements as amended from time to time, which include, *inter alia*:
 - Accelerate will procure that, subject to the solvency and liquidity test and the provisions of section 4 and section 46 of the Companies Act, the subsidiaries of Accelerate that are property entities incorporated in South Africa will distribute at least 75% of their total Distributable Profits as a distribution by no later than six months after their financial year-ends; and
 - Interim distributions will occur before the end of a Financial Year.

2. PURPOSE TO THIS PRE-LISTING STATEMENT

The main purpose to this Pre-listing Statement is to:

- provide Qualifying Investors with relevant information relating to the Company, Property Portfolio, Directors and Property Managers;
- communicate the strategy and vision of the Company;
- undertake the Private Placing of up to a maximum of 480 000 000 Shares with Qualifying Investors;
- set out the salient details of the Offer and the procedure for participating therein.

3. DETAILS OF THE OFFER

| | |
|---|-----------------------------|
| Offer price range per Share ¹ | R4.88 – R5.12 |
| Implied income Yield for the rolling 12 months ending 30 November 2014 ¹ | 9.71% – 9.23% |
| Implied income Yield for the 12 months ending 31 March 2015 ¹ | 10.10% – 9.59% |
| Number of Shares to be offered ¹ | 419 513 339 – 400 127 565 |
| Amount to be raised in terms of the Offer | R2 047 956 000 ² |

¹ The Offer price range is based on an aggregate Purchase Consideration range for the Property Portfolio of between R5 441 474 041 and R5 592 533 840, which range equates to a Distribution Yield for the 12 months ending 30 November 2014 and 31 March 2015 of between 9.71% – 9.23% and 10.10% – 9.59%, respectively.

² R1 810 008 000 already secured pursuant to irrevocable subscription commitments and a further R300 000 000 has been underwritten by Syzigium Trading Products Proprietary Limited (“Syzigium”), a wholly-owned subsidiary of FirstRand Limited.

The Offer comprises a Private Placement by Accelerate by way of an offer for subscription of 400 127 565 – 419 513 339 Shares and, depending on investor demand, this may be increased up to 480 000 000 Shares. The Private Placing is open only to Qualifying Investors.

The Offer and Listing are conditional on:

- 90% (by value) of the Land in respect of the Property Portfolio having been transferred to Accelerate by the Listing date (“Transferred Land”). The Transferred Land must include the Fourways Land and the Fourways Development Land;
- obtaining the minimum spread of Shareholders required under the Listings Requirements; and
- raising a minimum subscription amount of R2 047 956 000, of which R1 810 008 000 has already been secured via irrevocable subscription commitments and a further R300 000 000 has been underwritten by Syzigium,

failing which, the Private Placing and any acceptance thereof shall not be of any force or effect and no person shall have a claim whatsoever against the Company or any other person as a result of the failure of any condition.

All Shares are of the same class and will rank *pari passu* in all respects.

It is estimated that the price for the Shares will be between R4.88 and R5.12 per Share. The Offer price may however be outside of this price range. The Offer price will be payable in full in Rand without deduction or set-off.

The Bookrunner is seeking applications from Qualifying Investors to acquire Shares as part of a "book-building" process. Applicants will only be permitted to apply for Shares with a minimum total acquisition cost, per single addressee acting as principal, of greater than or equal to R1 000 000 unless the applicant is a person, acting as principal, whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principal or agent (in reliance on sections 96(1)(a)(i) and 96(1)(b) of the Companies Act) or such applicant falls within one of the other specified categories of persons listed in section 96(1) of the Companies Act. Following this book-building process, the Offer price will be determined by the Bookrunner in consultation with Accelerate prior to or on the Closing Date of the Offer and will be released on SENS on Thursday, 5 December 2013. Any change to these dates and times will likewise be released on SENS.

Qualifying Investors who wish to participate in the Offer are required to complete the Application Form (*blue*) which is attached to this Pre-listing Statement setting out the number of Shares and price they wish to subscribe for. Qualifying Investors selected to take up the Shares will be advised of the number of Shares which they have been allocated once the Listing price has been determined. Subsequent to payment at the Payment Date, the Shares so allocated will be issued on the Listing date at the Listing price.

Subject to JSE approval, Accelerate and/or the Board reserves the right at any time during the Offer and at their sole and absolute discretion to amend, deviate from or modify the Offer in the manner they think fit or to postpone, discontinue or terminate the Offer.

4. **PRE-COMMITMENTS**

As at the Last Practicable Date, Accelerate has received written irrevocable subscription commitments from various Qualifying Investors for an aggregate amount of R1 810 008 000. Of this amount, Michael Family Trust has irrevocably subscribed for R475 000 000.

5. **UNDERWRITE**

R300 000 000 of the Offer is being underwritten by Syzigium, which is a wholly-owned subsidiary of FirstRand Limited.

- Fourways Precinct and RMB entered into a number of prior transactions in terms of which Syzigium's underwrite is secured by a guarantee from Fourways Precinct.
- No lock-in applies to any Accelerate Shares acquired by Syzigium as a result of the underwrite.

The underwrite is subject to the fulfilment of the following conditions precedent by no later than the earlier of Listing Date and 31 March 2014:

- (i) The Listing of the Shares has occurred in accordance with the provisions to this Pre-listing Statement;
- (ii) Syzigium is satisfied that all authorisations, approvals or other documents, opinions or assurances which are necessary in connection with the Listing and the issue of the Shares pursuant to the Offer have been delivered to Syzigium;
- (iii) written confirmation from Syzigium that there has been no Material Adverse Effect; and
- (iv) Syzigium is satisfied that all regulatory approvals required for the making of the Offer (including approval by the JSE of the content of this Pre-listing Statement) shall have been obtained, and the Offer shall have opened on the terms and subject to the conditions contained in this Pre-Listing Statement.

The Directors have made due and careful enquiry to confirm that Syzigium can meet its commitments in terms of the Offer.

Due to the irrevocable subscription commitments received and the Offer underwritten by Syzigium, the required Minimum Subscription Amount has been secured. Depending on investor demand at the Listing price:

- (i) firstly the Shares which Syzigium has underwritten will be made available in favour of other Qualifying Investors;
- (ii) secondly, Michael Family Trust at its discretion may elect to renounce the Shares subject to its irrevocable subscription commitment in favour of other Qualifying Investors;
- (iii) thirdly, the Shares offered for subscription may be increased up to 480 000 000; and
- (iv) lastly, should there be sufficient interest from Qualifying Investors, the Directors in consultation with the Vendors may, at their discretion, allocate additional Shares due to the Vendors to such Qualifying Investors without increasing the maximum number of Shares to be issued by the Company, subject to the Vendors' total shareholding in Accelerate not being less than 40% of the total Shares in issue.

6. UNAUDITED FINANCIAL INFORMATION

The tables below set out the salient forecast statements of comprehensive income and salient *pro forma* statement of financial position of Accelerate and should be read in conjunction with the financial information disclosed in (paragraph 11 commencing on page 53 to this Pre-listing Statement) and Annexures 5 and 7 to this Pre-listing Statement. Such information has been prepared for illustrative purposes only and, because of its nature, may not fairly reflect the financial position and results of the Company. The forecast statements of comprehensive income and *pro forma* statement of financial position are the responsibility of the Directors of the Company and have been reviewed by the Independent Reporting Accountants and Auditors.

The forecast statements of comprehensive income have been shown for the current financial year, being the four months ending 31 March 2014, the rolling twelve months from 1 December 2013 to 30 November 2014 and the forecast year ending 31 March 2015. The forecast statements of comprehensive income assume that Listing and transfer of the Property Portfolio to Accelerate takes place on 1 December 2013.

- Scenario 1:
 - Per the minimum conditions for Listing in the paragraph headed Details of the Offer above, 90% of the Property Portfolio Land (Transferred Land), transfers to Accelerate on the date prior to Listing date;
 - All the Letting Enterprises and income associated thereto transfer to Accelerate on the date prior to the Listing date;
 - Any Shares due to the Vendors for the Property Portfolio Land which has not transferred to Accelerate at the Listing Date will be delivered to Ironwood Trustees to be held in escrow (pending transfer of the relevant Land into the name of Accelerate or its nominee) in unlisted and certificated form and form part of the issued share capital of Accelerate on Listing. Until transfer of the relevant Property Portfolio Land to Accelerate is completed such Shares will be eligible to receive distributions but will not be eligible to vote.
- Scenario 2:
 - The entire Property Portfolio Land and all Letting Enterprises transfer to Accelerate on the date prior to Listing date.

6.1 Forecast statement of comprehensive income

| | Unaudited forecast for the 4 months ending 31 March 2014 | | Unaudited <i>pro forma</i> forecast for the rolling twelve months 1 December 2013 to 30 November 2014 | | Unaudited forecast for the year ending 31 March 2015 | |
|-------------------------------------|--|--------------------------|---|--------------------------|--|--------------------------|
| | Scenario 1 | Scenario 2 | Scenario 1 | Scenario 2 | Scenario 1 | Scenario 2 |
| | 90% of Property Portfolio | Total Property Portfolio | 90% of Property Portfolio | Total Property Portfolio | 90% of Property Portfolio | Total Property Portfolio |
| Shares in issue on Listing ('000) | 638 689 | 638 689 | 638 689 | 638 689 | 638 689 | 638 689 |
| Distribution per Share (cents) | 15.09 | 15.09 | 47.32 | 47.32 | 49.19 | 49.19 |
| Earnings per Share (cents) | 36.02 | 36.02 | 73.76 | 73.76 | 56.60 | 56.60 |
| Headline earnings per Share (cents) | 18.83 | 18.83 | 56.56 | 56.56 | 56.60 | 56.60 |
| Forward yield (%) | 9.06 | 9.06 | 9.46 | 9.46 | 9.84 | 9.84 |

Notes:

1. Assuming the Offer is implemented at a price of R5.00 per Share.
2. For the four months ending 31 March 2014, the distribution per Share has been annualised in order to determine the forward yield. The Company did not operate until 30 November 2013 therefore the results for the full year will equate to the results for the four months ending 31 March 2014.
3. The distribution per Share and forward yield have been based on total Shares in issue of 638 688 811 less 49 844 500 Shares (assuming a listing price of R5.00) that are issued to the Vendors for the bulk (R249 222 500 in total) acquired as part of the Fourways Land. Under the terms of the Forgoing of Distributions agreement (refer to Annexure 12 to this Pre-listing Statement for salient terms) the distribution on such issued Shares will be ceded to Accelerate for a period equal to the lesser of five years from the Date of Transfer or such period until the bulk is developed and is income producing.

Annexure 7 contains the full forecast statements of comprehensive income of the Company on the basis and for the periods set out therein.

The Independent Reporting Accountant's limited assurance report on the forecast statements of comprehensive income is contained in Annexure 8.

6.2 **Pro forma statement of financial position**

The *pro forma* statement of financial position as at 31 March 2013 is shown below based on gearing of 40%:

| | Before the Acquisitions and Offer | Adjustments for the transfers of 90% of the Property Portfolio | After the transfers of 90% of the Property Portfolio | 'Adjustments for the transfers of the balance of the Property Portfolio | After the transfers of 100% of the Property Portfolio and the Offer |
|--|--|---|---|--|--|
| Number of Shares in issue ('000) | 0.10 | 638 689 | 638 689 | – | 638 689 |
| Net asset value per Share (cents) | (0.11) | 515.85 | 515.85 | – | 515.85 |
| Net tangible asset value per Share (cents) | (0.11) | 515.85 | 515.85 | – | 515.85 |

¹ 100% of the Letting Enterprises will transfer to Accelerate before Listing, and at a minimum 90% of the Property Portfolio Land (by value) will transfer to Accelerate prior to Listing. To the extent that less than 10% of the Land does not transfer to Accelerate prior to Listing, it will be classified as a bare dominium and accounted for at fair value until transfer takes place.

² The Property Portfolio has been recognised at a discount to the independent fair value of between 6% – 9%.

The full *pro forma* statement of financial position and accompanying notes and assumptions are set out in Annexure 5 to this Pre-listing Statement.

The Independent Reporting Accountant's reasonable assurance report on the compilation of the consolidated *pro forma* statement of financial position of the Company is set out in Annexure 6 to this Pre-listing Statement.

7. **SALIENT DATES AND TIMES**

The dates and times in this Pre-listing Statement are subject to change and any changes will be released on SENS.

| | |
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| Opening date of the Offer (09:00) | Wednesday, 27 November 2013 |
| Last date for applications for purposes of the book build (12:00) | Tuesday, 3 December 2013 |
| Date on which Qualifying Investors will be notified of the number of Shares which they have been allocated in terms of the Offer (12:00) | Wednesday, 4 December 2013 |
| Offer price and results of Offer released on SENS | Thursday, 5 December 2013 |
| Last date for Qualifying Investors to make payment with respect to their allocated Shares (12:00) | Monday, 9 December 2013 |
| Accelerate Shares listed on the JSE (09:00) | Thursday, 12 December 2013 |

These dates and times are South African dates and times and are subject to amendment. Any such amendment will be released on SENS and published in the press.

8. **FURTHER COPIES TO THIS PRE-LISTING STATEMENT**

Further copies to this Pre-listing Statement may be obtained during normal business hours from Wednesday, 27 November 2013 from:

- Accelerate Property Fund Limited, Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways, 2055;
- Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001;
- KPMG Services Proprietary Limited, 85 Empire Road, Parktown, Johannesburg, 2193; and
- Investec Corporate Finance, a division of Investec Bank Limited, 2nd Floor, 100 Grayston Drive, Sandown, Sandton, 2196.

DEFINITIONS AND INTERPRETATIONS

In this Pre-listing Statement and the annexures hereto, unless otherwise indicated, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and *vice versa*, words importing one gender include the other gender and references to a person include references to an entity and *vice versa*.

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| “Accelerate” or “the Company” | Accelerate Property Fund Limited (registration number 2005/015057/06) (formerly Encha Prime Investments Proprietary Limited), a private company incorporated on 16 May 2005 and converted into a public company on 7 February 2013 in accordance with the laws of South Africa, to be listed on the JSE and classified as a REIT; |
| “Access Date” | the date upon which Fourways Precinct exercises its right of access to the Fourways Development Land to commence with the first phase in the Development in terms of its Development Rights. In the terms of the Development Management Agreement and the Fourways Development Sale Agreement, Fourways Precinct will use its reasonable endeavours to commence with the first phase of the Development within 12 months from Listing; |
| “Additional Shares” | means the Shares of Accelerate which will be allotted and issued to the Vendors entitled thereto and listed on the JSE in terms of the Conditional Deferred Payment Agreement; |
| “ALSI” | the FTSE/JSE All Share Index; |
| “Anchor Tenant” | the leading tenant in a shopping centre whose prestige and name recognition is anticipated to attract other tenants and shoppers and who usually occupies the largest percentage of GLA in the shopping centre; |
| “Annual Budget” | the budget including revenues, operating and capital investment expenditures, other expenditure, distribution per share and cash flow for a financial year of each Letting Enterprise; |
| “Application Form” | the blue application form, attached to and forming part to this Pre-listing Statement, which Qualifying Investors are required to complete and return in accordance with the instructions contained therein in order to be considered for participation in the Offer; |
| “Acquisitions” | the acquisitions by Accelerate of the Letting Enterprises and the Land comprising the Property Portfolio; |
| “Assumption Agreement” | the assumption agreement, dated 25 November 2013, entered into between Accelerate, Fourways Precinct, Nedbank Limited and RMB, in terms of which the Substituted Liabilities are assumed by Accelerate and the Swaps are novated to Accelerate; |
| “Attorneys” | Glyn Marais Inc., full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Attorneys Act” | Attorneys Act, 53 of 1979, as amended; |
| “Bloomberg” | a real-time, online, subscription provider of up-to-date business news and financial information which delivers international breaking news, live stock market data and an online database providing current and historical financial quotes, financial statement data for listed companies, business newswires, statistics on financial markets and global economies, as well as a portal to company, industry and economic research; |
| “Board” or “Directors” | the board of directors of Accelerate, the details of which are set out in paragraph 8 and Annexure 4 to this Pre-listing Statement; |

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| “Business Day” | any day other than a Saturday, Sunday or official public holiday in South Africa; |
| “CBD” | central business district – the commercial and often the geographic heart of a city; |
| “Certificated Shares” | Shares that have not been Dematerialised, title to which is represented by a Share certificate or other Document of Title acceptable to the Board; |
| “CGT” | Capital Gains Tax as levied in terms of the Income Tax Act; |
| “CIPC” | Companies and Intellectual Property Commission, established in terms of section 185 of the Companies Act; |
| “Common Monetary Area” | South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland; |
| “Communications Advisor” | Brunswick South Africa Limited, a private company incorporated in South Africa, full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Companies Act” | the Companies Act, 71 of 2008, as amended; |
| “Company Secretary” | 4 Syte Business Solutions Proprietary Limited, a private company incorporated in South Africa, full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Completion Date” | means the date upon which Fourways Precinct notifies Accelerate in writing from time to time that a phase in the Development has been completed, which notice may be given by Fourways Precinct at any time after the Practical Completion Date, or Accelerate notifies Fourways Precinct in writing from time to time that it requires that the Fourways Development Letting Enterprises and the new letting enterprises created pursuant to the Development in respect of a particular phase of the Development be combined to form the combined letting enterprises and to acquire an undivided share in the combined letting enterprises which notice may be given by Accelerate 3 Months after the Works Completion Date; |
| “Co-Ownership Agreement” | the co-ownership agreement entered into between Fourways Precinct and Accelerate, dated 20 November 2013, governing the relationship between Fourways Precinct and Accelerate as co-owners of the Fourways Development Land and the Fourways Development Letting Enterprises following the Completion Date; |
| “Conditional Deferred Payment” | the further purchase price payment to be made by Accelerate to the Vendors, in respect of the Letting Enterprise concerned, which payment is conditional upon the letting of the Excess Vacant Premises to tenants in accordance with the requirements as specified in paragraph 6.17 to this Pre-listing Statement; |
| “Controlled Entities” | means companies and close corporations which each own properties, but excluding Orthotouch, which are owned or controlled from time to time by the Grantors and “Controlled Entity” means one of the Controlled Entities, as the context may indicate; |
| “Corporate Advisor, Bookrunner and Sponsor” | Investec Corporate Finance, a division of Investec Bank Limited, full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “CPI” | consumer price index, showing the average price level of a basket of goods and services bought by a typical consumer or household and which changes over time, as determined and published by Statistics South Africa from time to time; |

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| “Cross-Collateral Support Agreements” | certain guarantees, cessions in security, suretyships and indemnity agreements listed in the Assumption Agreement, creating a security structure in terms of which the Substituted Liabilities are secured; |
| “CSDP” | Central Securities Depository Participant as defined in section 1 of the Financial Markets Act; |
| “Deeds Office” | the relevant office of the Registrar of Deeds having jurisdiction over the Land in question; |
| “Dematerialise” or “Dematerialisation” | the process whereby certificated shares are replaced by electronic records of ownership under Strate and recorded in the sub-register of Shareholders maintained by a CSDP or broker; |
| “Dematerialised Shares” | Shares which have been dematerialised and incorporated into Strate; |
| “Development” | the retail development contemplated in the Development Management Agreement and the Praedial Servitude in terms of which Fourways Precinct intends to exercise its Development Rights by developing on the Fourways Development Land using the Unutilised Bulk, which development will also include the upgrade and refurbishment of the Fourways Mall Shopping Centre at the cost of Fourways Precinct. For the avoidance of doubt, Fourways Precinct’s obligation to upgrade and refurbish the Fourways Mall Shopping Centre is mutually exclusive to the rest of the development taking place; |
| “Development Management Agreement” | the development management agreement entered into between Accelerate and Fourways Precinct, dated 20 November 2013, in terms of which Fourways Precinct has been appointed by Accelerate to manage the Development, the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Development Manager” | Fourways Precinct exercising its Development Rights to manage the Development and in terms of the Development Management Agreement and the Praedial Servitude; |
| “Development Rights” | the rights retained by Fourways Precinct for the Development and under the Development Management Agreement and the Praedial Servitude; |
| “Director” | a director of the Board; |
| “Distributable Income” or “Distributable Profit” | gross income, as defined in the Income Tax Act, less deductions and allowances that are permitted to be deducted by a REIT in terms of the Income Tax Act, other than the qualifying distribution, as defined in terms of section 25BB of the Income Tax Act, being qualifying distributions that form part of distributable profit; |
| “Documents of Title” | valid share certificates or other documents of title in respect of Certificated Shares, which are acceptable to Accelerate; |
| “Dominant Land” | the land adjoining the Fourways Development Land owned by Fourways Precinct and which is the dominant land referred to in the Praedial Servitude, the owner of which and its successors in title, is entitled to enjoy the Development Rights; |
| “Exchange Control Regulations” | Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 9 of 1933, as amended; |
| “Eshowe Land” | the land and buildings on which the Eshowe Letting Enterprise is conducted, details of which are set out in Annexures 1 and 16 to this Pre-Listing Statement; |
| “Eshowe Letting Enterprise” | the property letting enterprise known as Eshowe Land conducted as a going concern on the Eshowe Land details of which are set out in Annexures 1 and 16 to this Pre-listing statement; |

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| “Eshowe Purchase Price” | the purchase price payable for the Eshowe Letting Enterprise and the Eshowe Land, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Eshowe Sale Agreement” | the agreement between Highveld Syndication No. 18 and Accelerate, dated 29 October 2013, governing the acquisition by Accelerate of the letting enterprise known as Eshowe Mall, the details of which are set out in Annexures 1, 12 and 16 to this Pre-listing Statement; |
| “Eshowe Transfer” | the registration of transfer in the Deeds Office of the Eshowe Land into the name of Accelerate; |
| “Excess Vacant Premises” | the aggregate deemed excessive vacant premises of 20 203m ² (after taking into account a deemed structural vacancy) in certain buildings comprising part of the Georgiou Letting Enterprises, Fourways Precinct Letting Enterprises and Orthotouch Letting Enterprises which is subject to the Conditional Deferred Payment; |
| “Financial Markets Act” | Financial Markets Act, 19 of 2012; |
| “Financial Year” | the financial year of Accelerate which commences on 1 April of each year and ending on 31 March of the following year; |
| “Floating Rates” | the Floating Rates in respect of the Swaps, as detailed in the Assumption Agreement and the Novation Agreement; |
| “Fourways Development Guaranteed Income” | the sum of R163 500 000 per annum escalating at 6% per annum guaranteed during the Fourways Development Guarantee Period; |
| “Fourways Development Guarantee Period” | the period commencing on the Access Date and terminating on the Completion Date, whichever period is the longer; |
| “Fourways Development Land” | the land and buildings on which the Fourways Development Letting Enterprises are conducted, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Fourways Development Land Transfer” | the registration of transfer in the Deeds Office of the Fourways Development Land into the name of Accelerate; |
| “Fourways Development Letting Enterprises” | the property letting enterprises known as Exact Mobile, Fourways Game, Fourways Mall Shopping Centre, Fourways View and Sasol Delta conducted as going concerns on the Fourways Development Land details of which are set out in Annexures 1, 12 and 16 to this Pre-listing Statement; |
| “Fourways Development Letting Enterprise Purchase Price” | the purchase price payable for the Fourways Development Letting Enterprise and the Fourways Development Land, the details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Fourways Development Sale Agreement” | the sale agreement between Fourways Precinct and Accelerate, dated 7 November 2013, governing the sale of the Fourways Development Letting Enterprise, including the Fourways Development Land Transfer, known as Exact Mobile, Fourways Game, Fourways Mall Shopping Centre, Fourways View and Sasol Delta, details of which are set out in Annexure 16 and the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Fourways Development Vacancy Guaranteed Income” | the amount guaranteed by Fourways Precinct during the Vacancy Guarantee Period in respect of the Fourways Development Vacant Premises which amount shall not exceed R7 060 564 per annum escalating at a rate of 8% per annum commencing on 1 April 2014; |
| “Fourways Development Vacant Premises” | the vacant premises of 5 619m ² in the buildings of the Fourways Development Letting Enterprises as at the Property Portfolio Transfer Date of which 3 599m ² will be covered by the Fourways Development Vacancy Guaranteed Income; |

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| “Fourways Framework Agreement” | the framework agreement, dated 20 November 2013, entered into between Fourways Precinct and Accelerate which makes additional arrangements for the payment of the Fourways Development Letting Enterprise Purchase Price, details which are set out in Annexure 12 to this Pre-listing Statement; |
| “Fourways Vacancy Guaranteed Income” | the amount guaranteed in respect of the Fourways Vacant Premises, guaranteed by Fourways Precinct during the Vacancy Guarantee Period which shall not exceed R2 976 568 per annum escalating at a rate of 8% per annum commencing on 1 April 2014; |
| “Fourways Guarantee Period” | a period of three years commencing on the Property Portfolio Transfer Date during which Fourways Precinct has guaranteed payment of the Fourways Guaranteed Income; |
| “Fourways Land” | the land on which the Fourways Letting Enterprises are conducted, details of which are set out in Annexures 12 and 16 to this Pre-listing Statement; |
| “Fourways Property Management Agreement” | the agreement entered into between Accelerate and Fourways Precinct, dated 20 November 2013, in terms of which Fourways Precinct is appointed to manage the Fourways Land, Fourways Development Land, Fourways Letting Enterprises and the Fourways Development Letting Enterprises; |
| “Fixed Rates” | the fixed rates in respect of the Swaps, as detailed in the Assumption Agreement and the Novation Agreement; |
| “Fourways Letting Enterprises” | the letting enterprises (excluding the Fourways Development Letting Enterprises), conducted as going concerns on the Fourways Land, details of which are set out in Annexures 12 and 16 to this Pre-listing Statement; |
| “Fourways Mall Shopping Centre” | the Fourways Development Letting Enterprise, including the Fourways Land, situated at the corner of William Nicol Drive, Witkoppen Road, Fourways Boulevard and Cedar Avenue, Witkoppen, Sandton, further details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Fourways Precinct” | Fourways Precinct Proprietary Limited (registration number 2000/020803/07), a private company duly incorporated and registered in accordance with the laws of South Africa and the vendor of the Fourways Land, the Fourways Letting Enterprises, the Fourways Development Letting Enterprises and the Fourways Development Land; |
| “Fourways Precinct Properties” | the Fourways Letting Enterprises, the Fourways Development Letting Enterprises and the Fourways Land, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Fourways Purchase Price” | the purchase price payable for each Fourways Letting Enterprise and the Fourways Land, details of which are set out in Annexures 1, 12 and 16 to this Pre-listing Statement; |
| “Fourways Sale Agreements” | the agreements between Fourways Precinct and Accelerate, dated 7 November 2013, governing the acquisition of the Fourways Letting Enterprises by Accelerate, including the Fourways Transfer, known as Cedar Square, The Buzz Shopping Centre, BMW Fourways Building, Ford and Mazda Building and Valley View Unit 1, 4, 5 and 7, details of which are set out in Annexure 16 and the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Fourways Transfer” | the registration of transfer in the Deeds Office of the Fourways Land into the name of Accelerate; |
| “Fourways Vacant Premises” | the vacant premises of 4 309m ² in the buildings of the Fourways Letting Enterprises (which excludes the Fourways Development Letting Enterprises) as at the Property Portfolio Transfer Date of which 1 896m ² will be covered by the Fourways Vacancy Guaranteed Income; |
| “Georgiou’s” | the Georgiou family; |

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| “Georgiou Group” | a group of property owning companies, owned by the Georgiou’s, supplying rental space in South Africa to the retail, commercial, industrial and hospitality sectors; |
| “George Nicolas Trust” | the Trustees for the time being of the George Nicolas Trust (Master’s reference number TMP2474), a trust created in accordance with the Trust Property Control Act and the vendor of the Georgiou Land and the Georgiou Letting Enterprises; |
| “Georgiou Land” | the land and buildings on which the Georgiou Letting Enterprises are conducted, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Georgiou Letting Enterprises” | the property letting enterprises conducted as going concerns on the Georgiou Land details of which are set out in Annexure 1 to this Pre-listing Statement; |
| “Georgiou Purchase Prices” | the purchase prices payable for each of the Georgiou Letting Enterprises, including the Georgiou Land, details of which are set out in Annexure 16 to this Pre-listing Statement; |
| “Georgiou Sale Agreements” | means: <ul style="list-style-type: none"> – collectively, the sale agreement, reinstatement and amendment agreement and second addendum to agreement between Accelerate, the Kia Joy Trust and the George Nicolas Trust, dated 16 May 2013, 27 August 2013 and 29 October 2013, respectively, governing the acquisition of the Georgiou Letting Enterprises by Accelerate, known as Oceana, Thomas Pattullo, 99–101 Hertzog Boulevard and Mustek (89 Hertzog Boulevard), details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; – collectively, the sale agreement, reinstatement and amendment agreement and second addendum to agreement between Accelerate, the Schaeffer Technologies Trust and the George Nicolas Trust, dated 16 May 2013, 27 August 2013 and 29 October 2013, respectively, governing the acquisition of the Georgiou Letting Enterprises by Accelerate, known as Edcon, Mr Price, The Pines, Keerom Chambers and Triangle House, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; – the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Georgiou Transfer” | the registration of transfer in the Deeds Office of the Georgiou Land into the name of Accelerate; |
| “GLA” | gross lettable area; |
| “Grantors” | means Mr Nicolas Georgiou, Mr Michael Georgiou, Mr George Georgiou, the N Georgiou Trust, the Michael Family Trust, the George Nicolas Trust, the Sage Investment Trust, the Kia Joy Trust, the Schaeffer Technologies Trust in his/its individual capacity and for and on behalf of the Controlled Entities and “Grantor” means one of the Grantors as the context may indicate; |
| “the Group” or “Accelerate Group” | in relation to a company (wherever incorporated), that company, any company which it is a subsidiary (being its holding company) and any other subsidiaries of any such holding company and each company in a group is a member of the group. Unless the context otherwise requires, the application of the definition of group to any company at any time will apply to the company as it is at that time; |
| “IFRS” | International Financial Reporting Standards; |

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| “Income Tax Act” | the Income Tax Act, 58 of 1962, as amended; |
| “Independent Reporting Accountants and Auditors” | Ernst & Young Inc., full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Independent Valuer(s)” | the independent property valuers at inception of Accelerate, being Mills Fitchet (Tvl) cc, Promax Valuation Services and MDK Consulting CC, full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Investec” | Investec Bank Limited (registration number 1969/004763/06), a public company duly incorporated and registered in accordance with the laws of South Africa; |
| “Investment Committee” | a sub-committee to be established by Accelerate and appointed by the Board to consider and motivate investment and disposal opportunities, details of which are set out in paragraph 5 to this Pre-listing Statement; |
| “Ironwood Trustees” | Ironwood Trustees Proprietary Limited (registration number 2005/012343/07), a private company duly incorporated and registered in accordance with the laws of South Africa; |
| “JIBAR” | Johannesburg Inter-Bank Agreed Rate; |
| “JSAPY” | the FTSE/JSE South Africa Listed Property Index; |
| “JSE” | JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act; |
| “JSE Guaranteed Fund” | a fund consisting of assets acquired and liabilities incurred by the trustees of the JSE Guarantee Fund Trust (Master's reference number IT9150/2005); which vest in the trustees; |
| “Kia Joy Trust” | the Trustees for the time being of The Kia Joy Trust (Master's reference number IT11015/2004) a trust created in accordance with the Trust Property Control Act; |
| “King III” | the King Code of Governance Principles for South Africa, 2009 (“King Code”) and the King Report on Governance for South Africa, 2009 (“King Report”) as amended from time to time; |
| “Land” | the Orthotouch Land, the Eshowe Land, the Georgiou Land, the Fourways Land and/or the Fourways Development Land, as the context indicates; |
| “Last Practicable Date” | Wednesday, 20 November 2013, being the last practicable date prior to the finalisation to this Pre-listing Statement; |
| “Lead Sponsor” | KPMG Services Proprietary Limited, full details of which are set out in the Corporate information and advisors section to this Pre-listing Statement; |
| “Lease Agreements” | the lease agreements entered into between Accelerate and the tenants of the Letting Enterprises; |
| “Letting Enterprises” or “Letting Enterprise” | the Fourways Development Letting Enterprises, the Eshowe Letting Enterprise, the Fourways Letting Enterprises, the Georgiou Letting Enterprises and/or the Orthotouch Letting Enterprises, as the context indicates; |
| “Listing” | the listing of the Shares on the Main Board of the JSE which is expected to take place on Thursday, 12 December 2013; |
| “Listings Requirements” | the Listings Requirements published by the JSE from time to time; |
| “m²” | square metres; |

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| “Material Adverse Effect” | means a material adverse effect on the business, operations or financial condition of Accelerate, the ability of Accelerate to perform any of its obligations under the underwriting agreement and/or this Pre-listing Statement, the legality, validity, enforceability or effectiveness of the underwriting agreement and/or this Pre-listing Statement, or the ability of Syzigium to enforce or exercise any rights or remedies granted or intended to be granted under the underwriting agreement; |
| “Maximum Conditional Deferred Payment” | the maximum Conditional Deferred Payment per applicable Letting Enterprise as set out in Annexure 16 to this Pre-listing Statement; |
| “Minimum Subscription Amount” | the minimum amount of R2 047 956 000 of equity to be raised from the Offer; |
| “MOI” | the memorandum of incorporation of Accelerate, the salient details of which are set out in Annexure 14 to this Pre-listing Statement; |
| “Michael Family Trust” | the Trustees for the time being of The Michael Family Trust (Master's reference number TMP2502), a trust created in accordance with the Trust Property Control Act; |
| “NAG Trust” | the NAG Trust (Master's reference number IT4469/09), a trust created in accordance with the Trust Property Control Act; |
| “NAV” | net asset value; |
| “Nedbank” | Nedbank Limited (registration number 1951/000009/06), a public company duly incorporated and registered in accordance with the laws of South Africa; |
| “Net Income” | gross income, as defined in the Income Tax Act, less direct property expenses, administration expenses and finance costs incurred in the ordinary course of business of the Letting Enterprises; |
| “Node” | a narrowly particularised and localised position or place (a spot); |
| “Novation Amounts” | the amounts required to close-out the Swap Options, reduce the Fixed Rates and novate the Swaps to Accelerate, the details of which are set out in the Assumption Agreement and the Novation Agreement; |
| “Novation Agreement” | the novation agreement, dated 25 November 2013, between Accelerate, Fourways Precinct and RMB, pursuant to which the Swap Options are closed out, the Fixed Rates are reduced and the Swaps are novated from Fourways Precinct to Accelerate; |
| “Offer” or “Private Placing” | the private placing by way of an offer for subscription of up to 480 000 000 Shares in the share capital of Accelerate to Qualifying Investors at an issue price of approximately R4.88 to R5.12, subject to an aggregate Minimum Subscription Amount of R2 047 956 000 and a maximum of R2 347 956 000; |
| “Orthotouch” | Orthotouch Limited (registration number 2010/004096/06), a public company duly incorporated and registered in accordance with the laws of South Africa and the vendor of the Orthotouch Letting Enterprises and the Orthotouch Land; |
| “Orthotouch Land” | the land and buildings on which the Orthotouch Letting Enterprises are conducted, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Orthotouch Letting Enterprises” | the property letting enterprises conducted as going concerns on the Orthotouch Land, details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |

“Orthotouch Letting Enterprises Vacancy Guaranteed Income”

the amount guaranteed in respect of the Orthotouch Letting Enterprises Vacant Premises, guaranteed by Fourways Precinct during the Vacancy Guarantee Period which not exceed R665 080 per annum escalating at a rate of 8% per annum commencing on 1 April 2014;

“Orthotouch Letting Enterprises Vacant Premises”

the vacant premises of 34 757m² in the buildings of the Orthotouch Letting Enterprises as at the Property Portfolio Transfer Date of which 572m² will be covered by the Orthotouch Letting Enterprises Vacancy Guaranteed Income;

“Orthotouch Purchase Price”

the purchase price payable by Accelerate for each Orthotouch Letting Enterprise and the Orthotouch Land, details of which are set out in Annexure 16 to this Pre-listing Statement;

“Orthotouch Sale Agreements”

means:

- collectively, the sale agreement and first addendum to agreement between Highveld Syndication No 16 Limited (registration number 2003/031129/06) (“Highveld Syndication No 16”), Orthotouch and Accelerate, dated 27 August 2013 and 29 October 2013, respectively, governing the acquisition by Accelerate of the Orthotouch Letting Enterprises, known as Eden Terrace, Waterford S/C and Cascades, details of which are set out in Annexures 1 and 16 to this Pre-Listing Statement;
- collectively, the sale agreement and first addendum to agreement between Highveld Syndication No 18 Limited (registration number 2003/030778/06) (“Highveld Syndication No 18”), Orthotouch and Accelerate, dated 27 August 2013 and 29 October 2013, respectively, governing the acquisition by Accelerate of the Orthotouch Letting Enterprises, known as 7 Main Road Melville, Beacon Isle, 14 Main Road Melville and 9 Main Road Melville and 11 Main Road Melville, details of which are set out in Annexure 1 to this Pre-listing Statement;
- collectively, the sale agreement, reinstatement and amendment agreement and the second addendum to agreement between Zephan Properties, Orthotouch and Accelerate, dated 16 May 2013, 27 August 2013 and 29 October 2013, respectively, governing the acquisition by Accelerate of the Orthotouch Letting Enterprises, known as Kyalami Downs S/C, Venter Centre, Rock Cottage, Willows Shopping Centre, Cherry Lane and Rietfontein Pavilion, details of which are set out in Annexures 1 and 12 to this Pre-listing Statement; and
- the agreement between Orthotouch and Accelerate, dated 29 October 2013, governing the acquisition by Accelerate of the Orthotouch Letting Enterprises, known as Leaping Frog, Wilropark, Wilrogate Shopping Centre, Glen Gables, Highveld Centurion, Meshcape, Flora Office Park, Primovie Park, 1 Charles Crescent, 9 Charles Crescent, 10 Charles Crescent, Tyger Manor, Mill House, Highway Gardens Office Park, ABSA Brakpan, Eastlynne Shopping Centre and Corporate Park Shopping Centre,

the salient details of which are set out in Annexure 12 to this Pre-listing Statement;

“Orthotouch Transfer”

the registration of transfer in the Deeds Office of the Orthotouch Land from the Registered Owners into the name of Accelerate;

“Pool Members”

Michael Family Trust and Fourways Precinct who are parties to the Relationship Agreement;

“Practical Completion Date”

means the date upon which the principal agent issues the Practical Completion Certificate to the building contractor in terms of the building contract in respect of each phase completed in the Development;

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| “Praedial Servitude” | means the praedial servitude to be registered against the title deed to the Fourways Development Land granting the Development Rights to Fourways Precinct or its successors in title as the owner of the Dominant Land, the details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Pre-listing Statement” | all documents contained in this bound document, including the annexures hereto and the Application Form, dated Wednesday, 27 November 2013; |
| “Prime Rate” | the publicly quoted basic rate of interest from time to time published by RMB as being the prime overdraft rate; |
| “Promoter” or “Michael Georgiou” | Mr Michael Nicholas Georgiou (Identity Number 700118 5062 081); |
| “Property Managers” | collectively, Fourways Precinct, as the manager of the Fourways Development Letting Enterprises (who sub-contracts its property management services to JHI Properties Proprietary Limited (“JHI”)) and Prop Manco, as the manager of the Georgiou Letting Enterprises and the Orthotouch Letting Enterprises; |
| “Prop Manco Property Management Agreement” | the agreement entered into between Accelerate and Prop Manco in terms of which Prop Manco is appointed to manage the Georgiou Letting Enterprises and the Orthotouch Letting Enterprises, the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Property Portfolio” | the portfolio of properties acquired from the Vendors the details of which are set out in Annexures 1 and 16 to this Pre-listing Statement; |
| “Property Portfolio Transfer Date” | the date of registration of transfer in the Deeds Office into the name of Accelerate of at least 90% (ninety per cent) in value of the Property Portfolio inclusive of the Fourways Land and the Fourways Development Land, which is to take place on the day before the date of Listing; |
| “Prop Manco” | Accelerate Property Management Company Proprietary Limited (registration number 2013/057079/07), a company duly incorporated and registered in accordance with the laws of South Africa and the property manager of the Georgiou Letting Enterprises and the Orthotouch Letting Enterprises; |
| “Purchase Consideration” | the aggregate amount ranging between R5 441 474 071 and R5 592 533 840 to be paid by Accelerate to the Vendors; |
| “Qualifying Investors” | selected institutional investors, invited investors and private clients of selected stockbroking companies in South Africa, to whom the Offer under the Private Placement will be addressed and made; |
| “Rand” or “R” | South African Rand, the lawful currency of South Africa; |
| “Regional Shopping Centre” | a shopping centre with 30 000m ² to 100 000m ² of rentable m ² of shopping space; principal tenant(s) are one or more major department stores and approximately 40 to 250 shops; |
| “Registered Owners” | the owners of the Land registered as such in the Deeds Office; |
| “REIT” | a company resident in SA, the shares of which are listed on the JSE and which has received REIT status from the JSE in terms of the Listings Requirements and which qualifies for tax deduction in respect of distributions under the provisions of section 25BB of the Income Tax Act; |
| “Relationship Agreement” | the relationship and voting pool agreement entered into between Fourways Precinct and Michael Family Trust to regulate the manner in which the parties who receive Shares as settlement for their Purchase Consideration will vote their Shares at general meetings of Accelerate including the restriction against any sale of Shares received for a minimum 2-year period; |

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| “RMB” | Rand Merchant Bank; a division of FirstRand Bank Limited (registration number 1929/001225/09), a public company duly incorporated and registered in accordance with the laws of South Africa; |
| “Sale and Purchase Agreements” | the Fourways Sale Agreement, the Fourways Development Sale Agreement, the Georgiou Sale Agreement and the Orthotouch Sale Agreement; |
| “South Africa” or “SA” | the Republic of South Africa; |
| “SAPOA” | South African Property Owners Association; |
| “SARB” | the South African Reserve Bank; |
| “SARS” | the Commissioner of the South African Revenue Services; |
| “Schaeffer Technologies Trust” | the Trustees for the time being of The Schaeffer Technologies Trust (Master’s reference number IT2203/2003) a trust created in accordance with the Trust Property Control Act; |
| “SENS” | Stock Exchange News Service of the JSE; |
| “Settlement Amounts” | the amounts required to settle the Substituted Liabilities, the details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Share” or “Shares” | a no par value ordinary share or no par value ordinary shares in the issued share capital of Accelerate; |
| “Shareholder” or “Shareholders” | the holder or holders of Shares in Accelerate; |
| “Share Incentive Scheme” or “Scheme” | the share incentive scheme for the employees of Accelerate and other participants; |
| “Specialised Property” | in terms of the Property Portfolio, specialised property includes the three motor dealerships – BMW Fourways, Ford and Mazda and Sasol Delta; |
| “STT” | Securities Transfer Tax, as determined in the South African Securities Transfer Tax Act, 25 of 2007; |
| “Strate” | Strate Limited (registration number 1998/022242/06), a limited liability public company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE; |
| “Substituted Liabilities” | certain of the liabilities of the Fourways Development Letting Enterprises listed in the Assumption Agreement and the Fourways Development Sale Agreement as at the date of the Fourways Development Transfer, but excluding the Swaps, in respect of which Accelerate is substituted as debtor and which will be settled on the Property Portfolio Transfer Date; |
| “Super Regional Shopping Centre” | a centre with more than 100 000 of rentable m ² of shopping space, substantial comparison-shopping; principal tenants are three or more major department stores and more than 250 shops; |
| “Swap Options” | the right of RMB to extend the Swaps, as set out in the Assumption Agreement, which will be cancelled and novated to Accelerate; |
| “Swaps” | certain interest rate swaps entered into between RMB and Fourways Precinct, excluding the Swap Options, listed in the Assumption Agreement as at the Property Portfolio Transfer Date, which will be novated to Accelerate on the Property Portfolio Transfer Date; |
| “Transfer Secretaries” | Computershare Investor Services Proprietary Limited, full details of which are set out in the Corporate information section to this Pre-listing Statement; |
| “Trust Property Control Act” | the Trust Property Control Act, 57 of 1988, as amended; |
| “Unutilised Bulk” | the existing but unutilised bulk attaching to the Fourways Development Land; |

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| “Vacancy Guarantee Agreement” | the agreement, dated 20 November 2013, entered into between Fourways Precinct and Accelerate in terms of which Fourways Precinct guarantees payment to Accelerate of the Fourways Vacancy Guaranteed Income, the Fourways Development Vacancy Guaranteed Income and the Orthotouch Letting Enterprises Vacancy Guaranteed Income for the Vacancy Guarantee Period, the salient details of which are set out in Annexure 12 to this Pre-listing Statement; |
| “Vacancy Guarantee Period” | means the period of three years commencing from the Property Portfolio Transfer Date; |
| “Vacancy Period” | three years from the Property Portfolio Transfer Date during which period Fourways Precinct, George Nicolas Trust and Orthotouch are entitled to let the Vacant Premises; |
| “VAT” | Value-Added Tax as defined in the VAT Act; |
| “VAT Act” | the Value-Added Tax Act, 89 of 1991, as amended; |
| “Vendors” | Fourways Precinct, Orthotouch and George Nicolas Trust; |
| “Yield” | the distribution available to the Shareholders in any financial year divided by the market price of the Shares; |
| “Yield Rate” | the forward net income yield as set out in the Conditional Deferred Payment Agreement, at which any Excess Vacant Premises is capitalised for purposes of determining the Conditional Deferred Payment due to the Vendors if any of the Excess Vacant Premises is let (on pre-agreed criteria set out in the Conditional Deferred Payment Agreement) during the Vacancy Period; |
| “VWAP” | volume weighted average price; and |
| “Works Completion Date” | means the date upon which the principal agent issues the Works Completion Certificate to the building contractor in terms of the building contract in respect of each phase completed in the Development. |

THE OFFER AND INSTRUCTIONS TO APPLICANTS

1. INTRODUCTION AND PURPOSE

1.1 Introduction and rationale of the Listing

The main rationale for the Listing of the Company is to:

- provide Qualifying Investors with an opportunity to participate over the long-term in the income streams and future capital growth of Accelerate;
- obtain an increased spread of Shareholders to enhance the liquidity and tradeability of the Shares;
- provide Accelerate with access to a central trading facility thereby providing liquidity to Shareholders;
- provide Accelerate with access to capital markets and a platform to raise funding to pursue growth and investment opportunities in the future;
- enhance the public profile and general awareness of Accelerate.

1.2 Purpose to this Pre-listing Statement

The main purpose to this Pre-listing Statement is to:

- provide Qualifying Investors with relevant information relating to the Company, Property Portfolio, Directors and Property Managers;
- communicate the strategy and vision of the Company;
- undertake the Private Placing of up to a maximum of 480 000 000 Shares with Qualifying Investors;
- set out the salient details of the Offer and the procedure for participating therein.

2. PARTICULARS OF THE OFFER AND LISTING

2.1 Details of the Offer

The Offer comprises a Private Placing by Accelerate by way of an offer for subscription of 400 127 565 – 419 513 339 Shares, and depending on investor demand this may be increased up to 480 000 000 Shares. The Private Placing will be offered at a price range to Qualifying Investors only. Accelerate has received irrevocable pre-commitments from various Qualifying Investors for an aggregate subscription of R1 810 008 000 and has secured an underwrite from Syzigium for R300 000 000.

The Offer and Listing are conditional on:

- 90% (by value) of the Land in respect of the Property Portfolio having been transferred to Accelerate by the Listing date;
- obtaining the minimum spread of Shareholders required under the Listings Requirements;
- raising the Minimum Subscription Amount of R2 047 956 000, of which R1 810 008 000 has already been secured via irrevocable subscription commitments and a further R300 000 000 is underwritten by Syzigium,

failing which, the Private Placing and any acceptance thereof shall not be of any force or effect and no person shall have a claim whatsoever against the Company or any other person as a result of the failure of any condition.

All of the Shares being offered for subscription are of the same class and will rank *pari passu* in all respects with all the other issued Shares of Accelerate. Accordingly, no Share has any special rights to dividends, capital or profits of the Company. The Vendors have however, antecedently renounced the distributions payable in respect of the Shares issued to them relating to the bulk land being acquired by the Company under the Fourways Sale Agreements until such time as the bulk is developed and is income producing. There will be no other classes of Shares authorised or in issue by Accelerate at the date of Listing. There are no Shares held in treasury.

2.2 Subscription commitments

As at the Last Practicable Date, Accelerate has received written irrevocable subscription commitments from various Qualifying Investors for an aggregate amount of R1 810 008 000. Of this amount, Michael Family Trust has irrevocably subscribed for R475 000 000.

2.3 Underwrite

R300 000 000 of the Offer is being underwritten by Syzigium, which is a wholly-owned subsidiary of FirstRand Limited.

- Fourways Precinct and RMB entered into a number of prior transactions in terms of which Syzigium's underwrite is secured by a guarantee from Fourways Precinct.
- No lock-in applies to any Accelerate Shares acquired by Syzigium as a result of the underwrite.

The underwrite is subject to the fulfilment of the following conditions precedent by no later than the earlier of the Listing date and 31 March 2014:

- (i) The Listing of the Shares has occurred in accordance with the provisions of the Pre-listing Statement;
- (ii) Syzigium is satisfied that all authorisations, approvals or other documents, opinions or assurances which are necessary in connection with the Listing and the issue of the Shares pursuant to the Offer have been delivered to the Syzigium;
- (iii) written confirmation from Syzigium that there has been no Material Adverse Effect; and
- (iv) Syzigium is satisfied that all regulatory approvals required for the making of the Offer (including approval by the JSE of the content of this Pre-listing Statement) shall have been obtained, and the Offer shall have opened on the terms and subject to the conditions contained in this Pre-Listing Statement.

The Directors have made due and careful enquiry to confirm that Syzigium can meet its commitments in terms of the Offer.

2.4 Times and dates of the opening and closing of the Offer

| | |
|--|-----------------------------|
| Opening date of the Offer (09:00) | Wednesday, 27 November 2013 |
| Last date for Qualifying Investors to submit their Application Forms for purposes of the book-build (12:00) | Tuesday, 3 December 2013 |
| Date on which Qualifying Investors will be notified of the number of Shares which they have been allocated in terms of the Offer (12:00) | Wednesday, 4 December 2013 |
| Offer price and results of Offer released on SENS | Thursday, 5 December 2013 |
| Last date for Qualifying Investors to make payment with respect to their allocated Shares (12:00) | Monday, 9 December 2013 |
| Accelerate Shares listed on the JSE (09:00) | Thursday, 12 December 2013 |

The dates and times in this Pre-listing Statement are subject to change and any changes will be released on SENS.

2.5 Offer price

It is estimated that the price of the Shares being offered for subscription in terms of the Offer shall be between R4.88 and R5.12 per Share (an implied income Yield for the 12 months to 30 November 2014 of 9.71% to 9.23%). The Offer price may however be outside of the price range. The Offer will be payable in full in Rands without deduction or set-off.

The Bookrunner is seeking applications from Qualifying Investors to subscribe for Shares in terms of the Offer as part of a "book-building" process.

Following this book-building process, the Offer price will be determined by the Bookrunner in consultation with Accelerate, prior to, or on the closing date of the Offer and will be released on SENS on or about Thursday, 5 December 2013. Any change to these dates and times will likewise be released on SENS.

2.6 Participation in the Offer

Only Qualifying Investors may participate in the Offer. Qualifying Investors wishing to participate in the Offer should complete the Application Form (*blue*) attached to this Pre-listing Statement setting out the Rand amount of the Shares they wish to apply for as well as the Offer price range and contact the Bookrunner prior to the cut-off time and date for providing Application Forms referred to in paragraph 2.4 headed "Times and dates of the opening and closing of the Offer" above.

The following procedures apply to participation in the Offer:

- No Application Forms will be accepted after 12:00 on Tuesday, 3 December 2013.
- Applications submitted by Qualifying Investors are irrevocable until the date of Listing and may not be withdrawn once received by the Bookrunner.
- No person acquiring Shares by virtue of section 96(1)(b) of the Companies Act shall be permitted to use an agent.
- Application Forms must be completed in accordance with the provisions to this Pre-listing Statement and the instructions contained in the Application Form.
- Copies or reproductions of the Application Form will be accepted at the discretion of the Board.
- Any alterations on the Application Form must be authenticated by full signature.
- Receipts will not be issued for applications, application monies or supporting documents received.
- Each application will be regarded as a single application.
- Applications must be for a minimum of R1 000 000.
- Shares may not be applied for in the name of a minor or a deceased estate.
- No documentary evidence of capacity need accompany the Application Form, but Accelerate reserves the right to call upon any selected Qualifying Investor to submit such evidence for noting, which evidence will be returned at the risk of the Qualifying Investor.
- The Directors reserve the right to accept or refuse any applications, either in whole or in part, or to abate any or all applications (whether or not received timeously) in such manner as they may, determine.

2.7 Representation

Any Qualifying Investor applying for or accepting Shares in terms of the Offer shall be deemed to have represented to Accelerate that such Qualifying Investor was in possession of a copy to this Pre-listing Statement at that time. Any party applying for or accepting Shares on behalf of another Qualifying Investor shall be deemed to have represented to Accelerate that it is duly authorised to do so and warrants that it and the Qualifying Investor for whom it is acting as agent is duly authorised to do so in accordance with all relevant laws and such investor guarantees the payment of the issue price and that a copy of this Pre-listing Statement was in the possession of such Qualifying Investor for whom it is acting as agent.

2.8 Allocation

The basis of allocation of the issued Shares will be determined by the Bookrunner in consultation with Accelerate. It is intended that notice of allocation will be given on Wednesday, 4 December 2013. Depending on the level of demand, applicants may receive no Shares or fewer than the number of Shares applied for. Any dealing in Shares prior to delivery of such Shares is entirely at the applicant's own risk.

In the event of an over subscription, Shares will be allocated and issued at the discretion of the Bookrunner, in consultation with the Directors. Factors to be considered in allocating Shares include:

- achieving a spread of Shareholders that is acceptable to the JSE; and
- promoting liquidity, tradeability and an orderly after-market in the Shares.

2.9 Dematerialisation of the issued Shares

Shares will be issued by Accelerate to successful applicants in Dematerialised form only. Accordingly, all successful applicants must appoint a CSDP, directly or through a broker, to receive and hold the Dematerialised Shares on their behalf. Should a Shareholder require a physical certificate for his/her Shares, such Shareholder will have to materialise their Shares following the Listing, for which a fee will be charged, and should therefore contact its CSDP to do so. It is noted that there are risks associated with holding Shares in certificated form, including the risk of loss or tainted script, which are no longer covered by the JSE Guarantee Fund. All Shareholders who elect to convert their Dematerialised Shares into Certificated Shares will have to Dematerialise their Shares should they wish to trade them under the terms of Strate (see paragraph 2.12 headed "Strate" below).

Each applicant's duly appointed CSDP or broker will receive the Dematerialised Shares on their behalf which is expected to occur on the Listing date on or about Thursday, 12 December 2013 during the Strate settlement runs.

2.10 Payment and delivery of Shares

Each successful applicant must, as soon as possible after being notified of an allocation of Shares:

- arrange for the payment of the aggregate purchase price for such allocated Shares to the designated account notified by Accelerate in writing. Such payment must be received by no later than 12:00 on Monday, 9 December 2013. Proof of payment should be forwarded to the Bookrunner, contact details of which are set out in the Application Form;
- notify its CSDP to commit to Strate to the receipt of the applicant's allocation of Shares by no later than 16:00 on Wednesday, 11 December 2013.

Details of the CSDP or broker must be conveyed by successful applicants to the Bookrunners before close of business on Friday, 6 December 2013.

On the date of Listing (expected to be Thursday, 12 December 2013), the applicant's allocation of Shares will be credited to the applicant's CSDP or broker during the Strate settlement runs which occur throughout the day.

2.11 Subscription amount

The Offer comprises a Private Placing by Accelerate by way of an offer for subscription of 400 127 565 – 419 513 339 Shares, and depending on investor demand this may be increased up to 480 000 000 Shares. Due to the irrevocable subscription commitments received, and R300 000 000 underwritten by Syzigium the required Minimum Subscription Amount has been secured. Depending on investor demand at the Listing price:

- (i) firstly the Shares which Syzigium has underwritten will be made available in favour of other Qualifying Investors;
- (ii) secondly, Michael Family Trust at its discretion may elect to renounce the Shares subject to its irrevocable subscription commitment in favour of other Qualifying Investors;
- (iii) thirdly, the Shares offered for subscription may be increased up to 480 000 000 Shares; and
- (iv) lastly, should there be sufficient interest from Qualifying Investors, the Directors in consultation with the Vendors may, at their discretion, allocate additional Shares due to the Vendors to such Qualifying Investors without increasing the maximum number of Shares to be issued by the Company, subject to the Vendors' total shareholding in Accelerate not being less than 40% of the total Shares in issue.

The Private Placing will be offered at a price range to Qualifying Investors only. If the Minimum Subscription Amount is not achieved, Accelerate shall not be obliged to proceed with the Offer and the Listing but after considering the pre-commitments and applications received, reserves the right to do so in consultation with its debt providers (RMB and Investec), its advisors (Investec Corporate Finance and Glyn Marais) and the JSE.

2.12 Strate

Shares may only be traded on the JSE in electronic form (Dematerialised Shares) and will be trading for electronic settlement in terms of Strate immediately following the Listing.

Strate is a system of "paperless" transfer of securities. If you have any doubt as to the mechanics of Strate please consult your broker, CSDP or other appropriate advisor and you are referred to the Strate website (<http://www.strate.co.za>).

Some of the principal features of Strate are:

- electronic records of ownership replace certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within five business days;
- all investors owning Dematerialised Shares or wishing to trade their securities on the JSE are required to appoint either a broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Dematerialised Shares specifically request their CSDP to register them as an "own name" holder (which entails a fee), their respective CSDP's or broker's nominee company holding Shares on their behalf, will be the holder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or broker (or the CSDP's or broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or broker (or the CSDP's or broker's nominee company), as to how it wishes to exercise the rights attaching to the Shares and/or to attend and vote at Shareholder meetings.

2.13 **Applicable law**

The Offer, applications, allocations and acceptances will be exclusively governed by the laws of South Africa and each applicant will be deemed, by applying for Shares, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer.

2.14 **Statement as to listing on the JSE**

Approval has been granted by the JSE, subject to the transfer of 90% of the Property Portfolio to the Company and the required spread of Shareholders having been obtained for the listing of a maximum of 700 000 000 Shares in the "Real Estate – Real Estate Holding and Development" sector under the abbreviated name "ACCPROP" with effect from the commencement of business on Thursday, 12 December 2013. The JSE code will be APF and the ISIN: ZAE000185815.

At the date of this Pre-listing Statement all the relevant Listings Requirements had been complied with, other than the confirmation of transfer of 90% of Property Portfolio to the Company, which is anticipated to be provided on 11 December 2013, and the Shareholder spread requirements which can only be met once the allocations have been completed.

2.15 **Exchange Control Regulations**

Currency and Shares are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations of the SARB. The Exchange Control Regulations also regulate the subscription and purchase by former residents and non-residents for Shares to be issued in terms of the Offer. Applicants who are resident outside the Common Monetary Area should seek advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable an acceptance of the Offer. The following summary is intended as a guide and is, therefore, not comprehensive. If you are in any doubt hereto, please consult your professional advisor.

2.15.1 **Emigrants from the Common Monetary Area**

- A former resident of the Common Monetary Area who has emigrated from South Africa may use blocked Rand to subscribe for Shares in terms of the Offer.
- All payments in respect of Shares acquired by emigrants using blocked Rand must be made through an authorised dealer in foreign exchange.
- Any Shares issued pursuant to the use of emigrant block Rand will be credited to Qualifying Investors' blocked accounts at the CSDP controlling their blocked portfolios.
- Share certificates issued in respect of Shares purchased with blocked Rand in terms of the Offer will be endorsed "non-resident" in accordance with the Exchange Control Regulations. Share certificates will be placed under the control of the authorised dealer through whom the payment was made.
- If applicable, monies payable in respect of unsuccessful applications, for Shares in terms of the Offer, emanating from blocked Rand accounts will be returned, in terms of the Exchange Control Regulations, to the authorised dealer administering such blocked Rand accounts for credit of such applicants' blocked Rand accounts.

2.15.2 **Applicants resident outside the Common Monetary Area**

- A person who is not resident in the Common Monetary Area should obtain advice as to whether any governmental and/or other legal consent is required and/or whether any other formality must be observed to enable a subscription for Shares in terms of the Offer.
- This Pre-listing Statement is not an offer in any area of jurisdiction in which it is illegal to make such an offer. In such circumstances, this Pre-listing Statement and the Application Form should be read for information purposes only. All share certificates issued to non-residents of South Africa will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

3. EXPENSES

The expenses that are expected to be incurred in relation to the Offer and the Listing are estimated at R39.7 million (excluding VAT) as set out below:

| | Rand |
|---|-----------------------|
| Corporate Advisor, Bookrunner ¹ and Sponsor – Investec Corporate Finance | 28 459 120 |
| Independent Auditors and Reporting Accountants – E&Y | 2 250 000 |
| Attorney fees – Glyn Marais | 6 000 000 |
| Lead Sponsor – KPMG | 700 000 |
| Independent Valuers fees – Mills Fitchet (Tvl) cc | 410 000 |
| Independent Valuers fees – Promax Valuation Services | 150 000 |
| Independent Valuers fees – MDK Consulting | 261 000 |
| Communications advisor – Brunswick | 150 000 |
| Transfer secretaries – Computershare | 100 000 |
| Documentation and listing fees – JSE | 525 000 |
| Printing and publishing fees – Ince | 230 000 |
| Sundry and administrative expenses | 500 000 |
| Total | 39 735 120 000 |

Note:

¹ Capital raising fees of 2.0% (assuming Michael Family Trust and Syzigium take up all their Shares).

ALL FEES AND EXPENSES PAYABLE IN TERMS OF THE OFFER AND LISTING WILL BE PAID BY FOURWAYS PRECINCT AND NOT ACCELERATE.

Save for the fees disclosed above and as otherwise disclosed in this Pre-listing Statement, none of the advisors have any interest in the Company.

Accelerate has not incurred any preliminary expenses in the three years preceding this Pre-listing Statement.

THE BUSINESS

4. INCORPORATION, HISTORY AND NATURE OF THE BUSINESS

4.1 Background and history

The Georgiou Group was founded by Mr Nicolas Georgiou approximately forty-six years ago and, through the innovation, effective management and vision of the Georgiou family, has expanded into a successful national property company.

The unprecedented growth of the Georgiou portfolio, facilitated by the Georgiou family's long-standing relationships with three of the largest five banks in South Africa, led to the creation of a premier portfolio of properties having a national footprint including various iconic properties in prominent Nodes such as the Fourways/Sandton Node, the Charles Crescent/Sandton Node, the Parrow/Bellville Node, the Cape Town Foreshore Node and the Loch Logan Waterfront, amongst others.

Accelerate was incorporated as a private company under the name Encha Prime Investments Proprietary Limited in South Africa on 16 May 2005 for the purposes of establishing a listed property fund. It has been dormant since incorporation and has no trading history.

In late 2012, a strategic decision was taken by Mr Michael Georgiou to diversify the Georgiou family's sources of funding and take advantage of the favourable legal and tax framework provided to qualifying property entities in terms of the REIT legislation amidst continued interest from institutional and retail investors to participate in the income and growth of the Georgiou family's unique property portfolio and experience by bringing some of the underlying properties to market through a listing. On 7 February 2013 the Company's name was changed to Accelerate Property Fund Limited and the Company was converted from a private to a public company. In anticipation of the Listing, Accelerate has entered into various agreements to, *inter alia*, acquire the Property Portfolio including, the flagship Fourways Precinct properties, strategic properties in the Charles Crescent/Sandton Node and the Cape Town Foreshore Node from the Georgiou Group.

4.2 Nature of business

Accelerate is a property company, formed for the purpose of investing in direct real estate, for purposes of income generation and capital growth.

Accelerate's Property Portfolio comprises of 51 well-established, strategically located and quality properties across South Africa, including two prominent Regional Shopping Centres (Fourways Mall Shopping Centre and Cedar Square) and a guaranteed participation into a Super Regional Shopping Centre upon completion of the Development. The Property Portfolio has been independently valued at R5 973 400 000 and comprises a total GLA of 440 520m², split as follows:

- Retail: 67%;
- Office: 22%;
- Industrial: 7%;
- Specialised retail: 4%.

In this context, Accelerate offers investors direct exposure to high-quality retail centres and other prime properties in South Africa. It is the intention of Accelerate to maintain a strong retail bias within its Property Portfolio.

As part of diversifying its sources of funding, Accelerate has commenced with the implementation of a listed, rated domestic medium-term note programme which it anticipates launching within twelve months from Listing.

4.3 Structure

The Purchase Consideration payable by Accelerate for the acquisition of the Property Portfolio will range between R5 441 474 071 and R5 592 533 840 and will be settled partly through the issue of up to 238 561 226 Shares to the Vendors at the Listing price per Share, as well as by way of cash raised through the Offer by issuing up to a maximum of 480 000 000 Shares. The remainder of the Purchase Consideration will be settled through bank debt. In this regard, Accelerate has secured debt funding of R2 388 560 000 from RMB and Investec (shared on an equal basis), which will result in a gearing ratio of 40% for the Company (based on the independent valuation of the Property Portfolio) once the entire Property Portfolio has been transferred to Accelerate.

Settlement of the Purchase Consideration will be on date of transfer, which is a day before the date of Listing.

The Purchase Consideration payable by Accelerate will be based on the final Accelerate Listing Yield, following the book-build process. The Purchase Consideration will range between R5 441 474 071 and R5 592 533 840, resulting in an income Yield for the 12 months ending 30 November 2014 of between 9.71% and 9.23%.

A further amount of up to R209 783 554 will be due to the Vendors in the form of an Conditional Deferred Payment as detailed in paragraph 6.17 and Annexure 12 to this Pre-listing Statement, should they be able to let the Excess Vacant Premises within 3 years from date of Listing. For the avoidance of doubt Accelerate has not paid for the Excess Vacant Premises and will only be liable for the Conditional Deferred Payment if the Excess Vacant Premises is let on pre-agreed terms acceptable to Accelerate. No letting commissions will be payable by Accelerate to Prop Manco or the Vendor or Fourways Precinct in respect of Excess Vacant Premises let during the Vacancy Period.

Fourways Precinct will settle all of the expenses associated with the Listing as set out in paragraph 3 to this Pre-listing Statement.

At the Last Practicable Date municipal rates have been paid for 100% of the Land to be transferred to Accelerate. The expected date of lodgement to transfer the Land is intended to be 29 November 2013 and the expected transfer registration date of the Land into the name of Accelerate is 11 December 2013. Confirmation of transfer of 90% (by value) of the Land to Accelerate must be submitted to the JSE by 09:00 on 11 December 2013.

Following the Listing, the Vendors will jointly hold a minimum of 49.6% of Accelerate. The Vendors have entered into a Relationship Agreement in respect of their Shares held. Further details of the Relationship Agreement are set out in paragraph 26 and Annexure 13 to this Pre-listing Statement, respectively.

5. MANAGEMENT OF ACCELERATE

5.1 Asset management function

The asset management function will be housed internally within Accelerate.

5.1.1 *Members of the Investment Committee*

The full names, ages, capacities, qualifications, nationalities, business addresses and brief résumés of the members of the Investment Committee are as follows:

| | |
|------------------|--|
| Full name | Mr Michael Nicholas Georgiou* |
| Age | 43 |
| Capacity | Chief Executive Officer |
| Qualifications | – |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor; corner Willow Avenue and Cedar Road, Fourways |

| | |
|------------------|--|
| Full name | Mr Andrew Costa* |
| Age | 42 |
| Capacity | Chief Operating Officer |
| Qualifications | B.Com, LLB |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor; corner Willow Avenue and Cedar Road, Fourways |

| | |
|------------------|--|
| Full name | Mr John Paterson* |
| Age | 39 |
| Capacity | Executive Director |
| Qualifications | BA, LLB, LLM(Tax) |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor; corner Willow Avenue and Cedar Road, Fourways |

| | |
|------------------|--|
| Full name | Mr Gert Christiaan Cruywagen* |
| Age | 58 |
| Capacity | Independent non-executive Director |
| Qualifications | MBSc, PMD, PhD, FIRM(SA) |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Full name | Mr Tito Titus Mboweni* |
| Age | 54 |
| Capacity | Non-executive Chairman |
| Qualifications | BA, MA |
| Nationality | South African |
| Business address | 107 Seven Oaks, 21 Third Street, Killarney, 2193 |
| Full name | Mr Rob Vallance |
| Age | 51 |
| Capacity | Chief Investment Officer |
| Qualifications | National Diploma in Property Valuation, MIVSA |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Experience | Rob Vallance has been involved in property since 1982 and qualified as a professional valuer in 1986 with Richard Ellis (Dunlop Heywood). He subsequently moved to the banking sector, managing the property finance teams for Investec Limited (Pretoria) and FirstRand Limited where he consolidated the various property finance divisions in the First National Bank and Rand Merchant Bank to form one operating unit. During this period he gained extensive experience in property finance and property credit/risk. He joined the Georgiou Group for a period of 3 years to set up the Johannesburg office. Thereafter he resigned to pursue his own property interests. During this period he has successfully traded in property for his own account and increased his property deal-making knowledge. He rejoined the Georgiou Group on 1 January 2013. |
| Full name | Mr Ashley John du Toit |
| Age | 57 |
| Capacity | Managing Director of Accelerate Property Management Company Proprietary Limited |
| Qualifications | B Com (Accounting); 2 years B Acc |
| Nationality | South African |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Experience | Having served articles with PricewaterhouseCoopers and audited a variety of businesses, most of Ashley's working career has been spent in specialised business units in banking. Ashley joined Investec Private Bank, a division of Investec Bank Limited, in 1984 where he was responsible for risk. He was also a member of various Investec credit committees. Ashley also spent time within the property group at Reichmans Limited. At BoE (Board of Executors) he was the regional risk manager within the property finance business as well as a member of the regional executive team. He also filled the role of regional sales manager for a period of time. After the acquisition of BoE by Nedbank Ashley initially filled the role of regional credit manager within property finance but went on to assume the role of new business manager of corporate clients within property finance. He was nominated for Nedbank's Top Achiever Award for 3 years in a row. For the past 4 years he has operated in a property consultancy capacity, primarily for the Georgiou Group where he advised on various property-related matters including acquisitions, sales and portfolio optimisation. |

* The curriculum vitae of the Directors are set out in Annexure 4 to this Pre-listing Statement.

Two additional independent non-executive Directors with significant property related experience will be appointed to the Board post Listing and will form part of the Investment Committee.

5.1.2 **Asset management services**

The Investment Committee will render strategic management services to Accelerate including, *inter alia*, the following services:

- the management of Accelerate's Property Portfolio in order to optimise their performance over the long term;
- source new property and redevelopment opportunities that could be acquired by Accelerate and make recommendations to Accelerate;
- evaluate all development and investment proposals presented by Fourways Precinct or any external parties to Accelerate and make recommendations of such investment proposals which the Investment Committee believes are in the best interests of Accelerate;
- ongoing monitoring of the Development to ensure it complies with approved project plans, etc;
- the determination of general strategies to optimise the long-term performance of the Property Portfolio and strategies with regard to property acquisitions, disposals, new third-party developments, redevelopments, funding the expansion of the Property Portfolio, the formulation of marketing strategies and the implementation thereof and all matters incidental thereto;
- the undertaking, or alternatively the procuring of all administrative, accounting, auditing, tax (including VAT) and secretarial functions relating to Accelerate and the Property Portfolio;
- prior to the commencement of each Financial Year, the preparation of the budget of total anticipated income and expenditure in respect of each property for the ensuing twelve-month period;
- the revision of the income and expenditure forecast against budget;
- the effecting of such authorised capital expenditure as may be necessary to maintain the Property Portfolio, including the refurbishment of and improvements to the Property Portfolio, provided that in effecting such expenditure, the Investment Committee only commits to and/or incurs expenditure that is approved by the Board or which is in terms of the mandate approved by the Board;
- the formulation and implementation of letting policies and leasing terms as required by prevailing market conditions in accordance with the objectives established by the Board;
- the conduct of research into prevailing rental rates and leasing terms offered in localities where properties are represented and comparative localities and research of general market conditions prevailing in such localities;
- the undertaking of general research into the state and relative investment merits of the various segments of the property market;
- valuations of the Property Portfolio on an annual basis including procuring an external valuation on a three-year cycle on a third of the Property Portfolio by value;
- the arranging for insurance of the buildings or structures erected on the land against such risks as are normally required to be insured against in the interests of Accelerate;
- the renewal of the insurance policies in respect of the Property Portfolio, ensuring the prompt payment of premiums payable and the compliance by Accelerate with all obligations under such insurance policies;
- the preparation of schedules of insurance cover, replacement valuations of the Property Portfolio and the procuring of a statement by Accelerate's insurance representative or broker as required in terms of any borrowing agreement or otherwise, as the case may be;
- the management of insurance claims in respect of the Property Portfolio;
- should Accelerate, either directly or through a third party, undertake large building projects, developments or redevelopments, the managing and supervision of such projects;
- assuming responsibility for audits and inspections regarding compliance requirements in respect of all laws and regulations including national building regulations and local authority laws for each property; and
- the lodging of any objections against local authority valuations deemed appropriate.

5.2 **Property management function**

The management of Fourways Development Letting Enterprises and the Fourways Letting Enterprises will be undertaken by Fourways Precinct in accordance with the terms of the Fourways Property Management Agreement. Fourways Precinct sub-contracts its property management services to JHI Properties Proprietary Limited. The management of all other Letting Enterprises owned by Accelerate will be undertaken by Prop Manco in terms of the Prop Manco Property Management Agreement.

Extracts of the Co-Ownership Agreement, Development Management Agreement, the Prop Manco Property Management Agreement and the Fourways Property Management Agreement are set out in Annexure 12 to this Pre-listing Statement, with the full agreements being available for inspection in terms of paragraph 32 of this Pre-listing Statement.

A summary of the salient features of the Co-Ownership Agreement, the Development Management Agreement, the Prop Manco Property Management Agreement and the Fourways Property Management Agreement are set out below:

5.2.1 **Property management services**

The property management services to be rendered by the Property Managers under the Fourways Land Property Management Agreement and the Prop Manco Property Management Agreement are similar and will include, *inter alia*, but are not limited to the:

- marketing of vacant space in the Letting Enterprises to the general tenancy market and endeavouring to fill any vacancies in the Letting Enterprises with acceptable tenants;
- negotiating with tenants with a view to Lease Agreements being concluded;
- preparation and signature of written Lease Agreements with tenants;
- investigating the creditworthiness of the prospective tenants, their trade history and obtaining such other information as may be relevant to the suitability of the prospective tenant;
- renewal of lease agreements in accordance with their terms;
- collecting of rentals under the lease agreements and the payment of the amounts so collected to Accelerate on an agreed basis;
- collection of rental deposits, rental security and other contributions pursuant to any lease agreements;
- refund of rental deposits to tenants as and when they fall due;
- checking of turnover statements in respect of tenants, where applicable;
- management of the marketing for retail centres to achieve the optimum spending patterns and turnover by retailer tenants;
- management of all amounts received from tenants in respect of the lease agreements and all activities related and incidental thereto;
- liaising with tenants and the attendance to tenants' requirements;
- taking all necessary action to enforce prompt and proper performance and discharge by tenants and other relevant parties of their respective obligations under the Lease Agreements and the exercise of all rights under the lease agreements and any related security provided in respect thereof in the event of default under the relevant lease agreement;
- appointment and management of maintenance contractors where required;
- timeous payment of all expenses, including municipal consumption and service fees, property taxes and other municipal taxes, duties and levies, in respect of the Property Portfolio and the rendering of the services;
- arranging security in and about the properties where required;
- liaising with local and other authorities in respect of the Property Portfolio;
- arranging and supervising the cleaning of properties and the surrounding areas where required;
- ensuring that Accelerate complies with all laws and regulations pertaining to the properties in the Property Portfolio and the use of the properties;
- implementation of all necessary management and control systems;
- liaising with attorneys and supervision of legal actions with regard to the recovery of amounts payable under the Lease Agreements and any other matters relating to the Property Portfolio and the management thereof;
- arranging maintenance and preventative maintenance (including but not limited to fire control measures) in respect of the properties where required;
- collection and payment of VAT amounts;
- compliance with all of Accelerate's requirements in respect of the management, control, administration and letting of the properties and the performance of such further functions as are usually performed by managing agents.

5.2.2 **Details of the directors of the Property Managers**

- The sole director of Fourways Precinct is Mr Michael Georgiou; and
- The directors of Prop Manco are Mr Michael Georgiou, Mr Ashley du Toit, Mr Andrew Costa and Mr Rob Vallance. The full names, ages, qualifications, nationalities, capacities, business addresses and brief resumes of the directors of Prop Manco can be found in paragraph 5.1.1 above.

5.2.3 **Shareholders of the Property Managers**

- Fourways Precinct is 100% owned by the Michael Family Trust; and
- Prop Manco is held 100% by a nominee on behalf of Mr Michael Georgiou.

5.2.4 **Registered addresses of the Property Managers**

- The registered address of Fourways Precinct is 96 Raymond Mhlaba Street, Navalsig, Bloemfontein; and
- The registered address of Prop Manco is Cedar Square Shopping Centre, 1st Floor, corner Willow and Cedar Road, Fourways.

5.2.5 **Property management agreements**

5.2.5.1 *Prop Manco and Fourways Property Management Agreements*

The Prop Manco and Fourways Property Management Agreements commence on the Property Portfolio Transfer Date and continue for an initial period of 10 years, terminable by either Prop Manco/Fourways Precinct or by Accelerate.

Accelerate has the right, to terminate the Prop Manco and Fourways Property Management Agreements upon:

- the occurrence of an event of default by Accelerate of a grossly negligent or dishonest nature or a material breach, terminated by 15 Business Days' written notice;
- the occurrence of an event of default by Prop Manco or Fourways Precinct of a grossly negligent or dishonest nature or a material breach, terminated by a 15 Business Days' written notice; or
- upon the disposal of all or the greater part by value of the Property Portfolio by Accelerate to entities which are not associated with any persons or entities which are not wholly-owned subsidiaries of Accelerate, terminated by 90 Business Days' written notice.

Prop Manco and Fourways Precinct have the right to terminate the Prop Manco and Fourways Property Management Agreements upon:

- the disposal of all or the greater part by value of the Property Portfolio and the Letting Enterprises by Accelerate to entities which are not associated with any persons or entities which are not wholly-owned subsidiaries of Accelerate, or a change of control of Accelerate, terminated by 30 Business Days' written notice, or
- upon the provision of a six months' written notice at any time.

5.2.5.2 *Development Management Agreement*

Fourways Precinct is appointed as the Development Manager for the Development until the Completion Date.

There is no development management fee or development watching fee payable to Fourways Precinct.

Fourways Precinct will use its reasonable endeavours to commence the first phase of the Development within 12 months from Listing, failing which Fourways Precinct will be liable to make penalty payments to Accelerate as compensation, equal to R1 000 000 per month for the first year from the expected Completion Date, R1 500 000 per month for the second year from the expected Completion Date, and R2 000 000 per month for the third year from the expected Completion Date.

The site plans for the Development have been approved by Accelerate copies of which are available for inspection in terms of paragraph 32 below as an appendix to the Development Management Agreement. Any material deviations from the approved site plans that may have a negative impact on the combined Fourways Mall letting enterprise

(retail development and the existing Fourways Mall Shopping Centre) when compared to a comparable A-grade Regional Shopping Centres in South Africa will require Accelerate's approval.

Strict lease criteria for Fourways Precinct to comply with to the satisfaction of Accelerate for any new leases concluded for the Development are set out in the Development Management Agreement (refer to Annexure 12 to this Pre-listing Statement).

5.2.6 **Property management fees**

5.2.6.1 *Prop Manco and Fourways Precinct property management fees*

- For the initial period (10 years) of the Property Management contract commencing on the Property Portfolio Transfer Date, Prop Manco and Fourways Precinct are entitled to a monthly fee not less than 1% but not more than 3% of all amounts (excluding VAT) collected under the Lease Agreements including rates and taxes, insurance premiums, the lessee's share of operating costs, merchant's contributions and municipal recoveries, as determined by Accelerate. The monthly fee can be increased up to 3% having regard to certain performance criteria, namely:
 - the Letting Enterprises concerned exceeded the Distributable Income per Share forecast in the Annual Budget by 10% or more;
 - the vacancies of the Letting Enterprises concerned are less than 4% or the industry norm, whichever is the lower, calculated on an annualised basis; and
 - the increase in the management fee will not result in the aforementioned Distributable Income per Share forecast being reduced.
- Prop Manco and Fourways Precinct are also entitled to a commission of 100% of the recommended tariff of SAPOA in respect of Lease Agreements negotiated with new tenants. Where a new tenant is introduced by another agent, that agent is entitled to be paid commission by Accelerate. Prop Manco and Fourways Precinct are not entitled to a share of the commission paid to another agent. In respect of the renewal of any lease agreement with existing tenants, Prop Manco and Fourways Precinct are entitled to a commission of 50% of the tariff recommended by SAPOA.
- Any commission payable in respect of the Excess Vacant Premises during the Vacancy Period will be borne by the Vendors.
- On the tenth anniversary of the Property Portfolio Transfer Date and thereafter on each successive fifth anniversary of such date, the property management fees shall be reviewed and adjusted to market related property management fees prevailing at the time concerned and agreed upon by Prop Manco, Fourways Precinct and Accelerate or determined by an independent expert should Prop Manco, Fourways Precinct and Accelerate fail to agree.
- At the end of each Financial Year, Accelerate will:
 - calculate the Distributable Income per Share achieved for the year concerned to determine whether the actual Distributable Income per Share is equal to or greater by 10% or more, than the Distributable Income per Share forecast contemplated in the Annual Budget; and
 - verify whether the vacancies of the Letting Enterprises concerned are under 4% or the industry norm (whichever is the lower).

If the actual Distributable Income per Share is greater than the budgeted Distributable Income per Share by 10% or more after taking into account the payment of the property management fees to Prop Manco and Fourways Precinct in respect of the year concerned and the vacancies of the Letting Enterprises are within the targeted range, then the property management fees will be appropriately increased up to the maximum of 3% and Accelerate shall pay to Prop Manco and Fourways Precinct the amount of the property management fees which has the effect of meeting or increasing the budgeted Distributable Income per Share in the year concerned.

- The letting commission payable to Prop Manco and Fourways Precinct is payable at the end of the Financial Year during which the commission was earned by Prop Manco and Fourways Precinct. If the actual Distributable Income per Share is less than the budget Distributable Income per Share with reference to the payment of the commission, then the amount of commission otherwise due to Prop Manco and Fourways Precinct will be appropriately antecedently waived or reduced such that the budgeted Distributable Income per Share is achieved.

- Should the Company terminate this Agreement in terms of 5.2.5.1 (bullet 2), or should Prop Manco or Fourways Precinct terminate this Agreement in terms of 5.2.5.1 (bullet 4 or 5), then the Company will be obliged to make a payment to Prop Manco or Fourways Precinct of a termination fee in an amount calculated by:
 - projecting for the remaining period of the Agreement (“the Projection Period”) the Property Management Fee at a rate of 3% calculated on the average Gross Income earned over a period of 12 (twelve) months immediately prior to the date of termination and escalated over the Projection Period by the rate of escalation provided for in the various lease agreements concluded in respect of the Letting Enterprises and failing agreement as to the amount of the escalations under such lease agreements, the amount of the escalations, such amount as agreed to between Prop Manco or Fourways Precinct and the Company having regard to market conditions, and failing agreement, as decided upon by the Independent Expert; and
 - the termination fee shall be equal to the net present value of the projected termination fee calculated above at a discount rate equal to the CPI (which is an annual rate).
- In the event of a dispute as to whether the event of default referred to in 5.2.5.1 (bullet 1 and 4) is a grossly negligent or dishonest nature or a material breach going to the root of this Property Management Agreement, the dispute shall be determined by an independent expert and the date of termination will only be effective on the date of the decision obtained from the Independent Expert.

5.2.6.2 *Property management fees payable by Fourways Precinct to JHI*

- The property management fees payable by Fourways Precinct to JHI for managing the Fourways Precinct Letting Enterprises are as follows:
 - **Management fee** as a percentage of gross income of the building collected, excluding building specific parking income: 1% plus VAT;
 - **Management fee** as a percentage of all utilities collected per building if applicable: 0.5% plus VAT;
 - **Full cost recovery** of full time building employees: actual cost plus VAT.
 - **Renewal commission**
 - If JHI does own negotiation: 100% of 25% SAPOA tariffs plus VAT;
 - If landlord is involved in negotiations: 50% of 25% SAPOA tariffs plus VAT;
 - **New deals commission:**
 - If tenant is sourced by JHI: 100% of 75% SAPOA tariffs plus VAT;
 - If a tenant is a phone-in/walk-in: 67% of 75% SAPOA tariffs plus VAT;
 - If landlord is involved to finalise deal: 33% of 75% SAPOA tariffs plus VAT.

The property management agreement between Fourways Precinct and JHI can be terminated by either party by giving two months' written notice.

6. **PROPERTY PORTFOLIO**

6.1 **Overview of the Property Portfolio**

Accelerate has entered into the Sale and Purchase Agreements to acquire the Property Portfolio from the Vendors for an aggregate Purchase Consideration of between R5 441 474 071 and R5 592 533 840, which is a discount to the independent fair value of R5 973 400 000. Full details of the Property Portfolio are set out in Annexure 1 to this Pre-listing Statement. Valuation reports in respect of the Property Portfolio and summaries of the Sale and Purchase Agreements and ancillary agreements have been included in Annexures 2 and 12 to this Pre-listing Statement, respectively.

6.2 **Analysis of the Land and Letting Enterprises in the Property Portfolio**

The Property Portfolio consists of 51 properties with a total GLA of 440 520m². The 10 largest Letting Enterprises by market value in the Property Portfolio include:

| Property Name | Independent valuation (Rmil) | Acquisition cost (Rmil) | GLA (m ²) | Acquisition price/m ² (excluding bulk, where applicable) | Percentage of total acquisition price |
|---|------------------------------|-------------------------|-----------------------|---|---------------------------------------|
| Fourways Mall Shopping Centre* | 2,094.8 | 1,966.6 | 61,480 | 32,112 | 36 |
| Cedar Square* | 759.3 | 748.3 | 46,025 | 13,303 | 14 |
| Fourways View* | 312.5 | 277.9 | 12,962 | 20,613 | 5 |
| The Buzz Shopping Centre | 280.9 | 241.0 | 14,291 | 12,641 | 4 |
| Fourways Game* | 162.7 | 145.1 | 8,763 | 16,447 | 2 |
| BMW Fourways Building | 162.8 | 152.3 | 13,098 | 7,984 | 3 |
| Leaping Frog | 148.0 | 147.1 | 11,139 | 13,320 | 3 |
| Kyalami Downs S/C | 132.0 | 130.0 | 14,096 | 9,222 | 2 |
| Oceana House | 112.8 | 112.1 | 7,226 | 15,590 | 2 |
| Cherry Lane | 102.0 | 80.5 | 11,672 | 6,920 | 1 |
| Total for 10 largest Letting Enterprises | 4,267.8 | 4,000.8 | 200,752 | 18,668 | 72 |
| Total Property Portfolio | 5,973.4 | 5,517.0 | 440,520 | 11,957 | 100 |

*Included at the mid-range of the acquisition cost for purposes of the analysis above.

*The Purchase Consideration range for Fourways Mall Shopping Centre, Cedar Square, Fourways View and Fourways Game is as follows:

Fourways Mall Shopping Centre: R1 935.18mil – R1 998.0mil

Cedar Square: R732.12mil – R764.5mil

Fourways View: R259.02mil – R296.7mil

Fourways Game: R135.96mil – R154.2mil

The average acquisition cost per square metre (excl. bulk) per sector for the Property Portfolio is as follows:

- Retail: R14 557/m²
- Office: R6 927/m²
- Industrial: R3 452/m²
- Specialised retail: R11 899/m²

6.2.1 Retail properties

6.2.1.1 Fourways retail properties

The Fourways retail properties consist of 8 Letting Enterprises (as set out in Annexure I to this Pre-listing Statement), most of which are major retail centres within Fourways that comprise approximately 66% of the value of the Property Portfolio. The flagship asset is the Fourways Mall Shopping Centre which will be the subject of the Development as more fully described in paragraph 7 below. Other prominent Letting Enterprises within the Fourways retail Node include Fourways View, Cedar Square, The Buzz Shopping Centre, Fourways Game and Leaping Frog.

6.2.1.2 Other retail properties

The other retail properties consist of 22 Letting Enterprises (as set out in Annexure I to this Pre-listing Statement) comprising typical neighbourhood or convenience type shopping centres, usually anchored by large national and listed supermarket chains such as Shoprite Checkers or Pick n Pay. The centres are well located with regards to convenience catering for the middle to upper living standard measure (“LSM”) groups.

Requests have been received from existing tenants and prospective new tenants for larger premises to accommodate the level of robust trading experience and in this regard Kyalami Downs, Wilrogate, Highveld Centurion, Tyger Manor and Eastlynne Pretoria have been earmarked for tenant-driven extensions and upgrades. The Directors' view is that the capital injection of R65 million raised from the Offer will increase the overall current rental levels closer to targeted open market rental levels.

6.2.2 Office properties

The office properties comprise 15 properties (as set out in Annexure I to this Pre-listing Statement) situated in areas that are in line with Accelerate's vision to dominate strategic property Nodes.

The focus is on the following key areas:

- Fourways which is positioned to develop into a major CBD to compliment the established Sandton zone;
- Cape Town Foreshore chosen for its strategic position within a well-run city and the imminent expansion of the Cape Town CBD and foreshore; and

- Charles Crescent, which is situated 3km from the Sandton CBD with motorway access and exposure and which is undergoing rapid improvements as an area.

6.2.3 Industrial properties

The industrial component comprises of 3 Letting Enterprises – namely 10 Charles Crescent, Edcon and Meshcape Edenvale (as set out in Annexure 1 to this Pre-listing Statement). In the view of the Directors this is a well performing sector of the property market that is currently underweighted.

6.2.4 Specialised retail properties

The specialised retail properties consist of 3 Letting Enterprises, which are all motor dealerships within close proximity to the Fourways Mall Shopping Centre that have been purpose built. These include BMW Fourways, the Ford and Mazda Building and the Sasol Delta building.

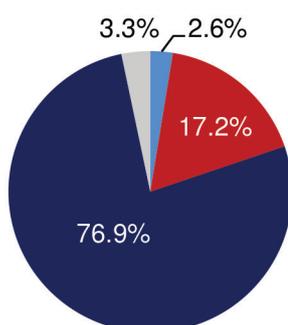
- BMW Fourways is ideally situated with good vehicle exposure and is let by a single tenant. It comprises a workshop, showroom, under cover and roof top parking, and offices.
- Ford and Mazda Building is ideally situated with good vehicle exposure and is let by a single tenant. It comprises a ground floor workshop, floor showroom and floor office.
- Sasol Delta comprises a Sasol garage, workshop, showroom and 37 parking bays. The property is in a fair condition with only cosmetic repairs and minor renovations required.

An analysis of the Property Portfolio in respect of the sectoral, geographic, tenant, vacancy spread, gross rental/m², rental escalations and by lease expiry profiles is set out below. All graphs by revenue are related to the rolling twelve-month forecast period ending 30 November 2014.

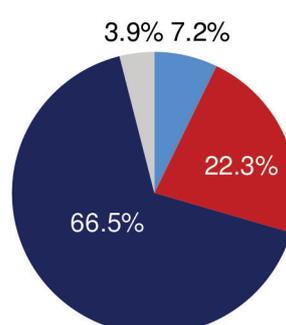
6.3 Sectoral profile

The sectoral spread of the Property Portfolio confirms Accelerate's exposure to the defensive retail sector in South Africa on both a GLA and revenue basis:

Sectoral profile by revenue



Sectoral profile by GLA

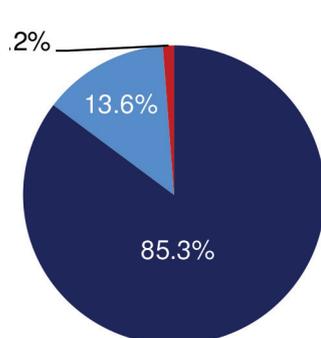


■ Industrial ■ Office ■ Retail ■ Specialised

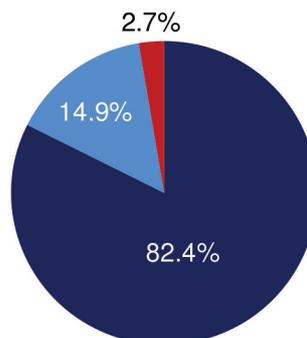
6.4 Geographic profile

The majority of the Property Portfolio is situated in Gauteng. Going forward the Company will look to acquire more geographically diversified properties but this will depend on the investment opportunities that become available to the Company.

Geographic profile by revenue



Geographic profile by GLA

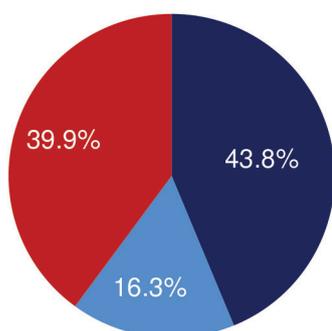


■ Gauteng ■ Western Cape ■ KwaZulu Natal

6.5 Tenant profile

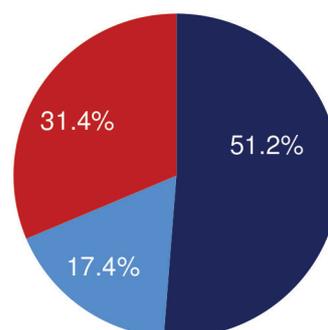
The Property Portfolio has a strong tenant base which is weighted toward national and listed tenants.

Tenant profile by revenue



■ A ■ B ■ C

Tenant profile by GLA

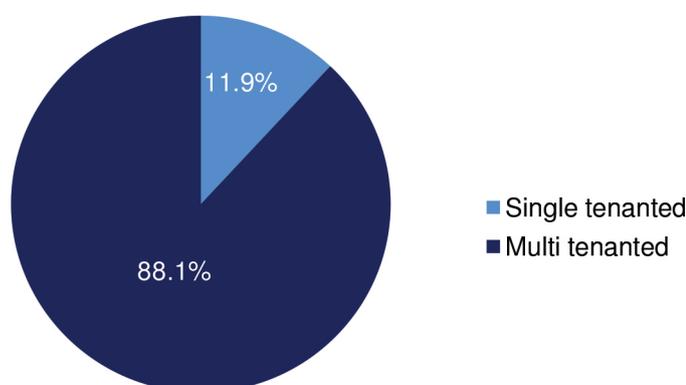


For the table above the following key is applicable:

- Large national tenants, large listed tenants and major franchises. These include, *inter alia*, Shoprite, Woolworths, Capitec Bank, Nedbank, Pepkor, Pick n Pay, Standard Bank, Absa Bank, First National Bank, Pep Group, Makro/Massmart, OK Furnishers, ADT, Medscheme, Jet Stores, Edgars, Foschini, etc. – approximately 350 tenants.
- National tenants, listed tenants, franchises and medium to large professional firms. These include, *inter alia*, Steers, KFC, Nando's, Spur, Mugg & Bean, Wimpy, Fishmonger, etc – approximately 200 tenants.
- Other (approximately 1 100 tenants).

6.6 Single vs. multi-tenanted buildings

11.9% of gross income is generated from the 13 single tenanted properties and the balance of income is generated from the remaining 38 multi-tenanted properties. The multi-tenanted bias is commensurate with the majority of the Property Portfolio consisting of retail properties.



6.7 Vacancy profile by sector

The total vacancy of the Property Portfolio as at 1 November 2013 amounts to 44 684m² or 10.14% of GLA.

The vacancies for Accelerate by sector as at 1 November 2013 are set out in the table below:

| | Total | Retail | Office | Industrial | Specialised |
|---|---------|---------|--------|------------|-------------|
| Number of properties | 51 | 30 | 15 | 3 | 3 |
| GLA in m² | 440 520 | 293 600 | 97 824 | 31 721 | 17 375 |
| Vacancy in GLA m² | 44 684 | 27 427 | 17 257 | – | – |
| Vacancy in % | 10.14% | 9.3% | 17.6% | 0.0% | 0.0% |
| GLA covered by guarantees (Vacancies within the Fourways node) | 6 067 | 6 067 | – | – | – |
| % of GLA | 1.4% | 2.1% | 0.0% | 0.0% | 0.0% |
| GLA relating to Conditional Deferred Payment | 20 203 | 10 414 | 9 789 | – | – |
| % of GLA | 4.6% | 3.5%* | 10.0% | 0.0% | 0.0% |

*Excluding Fourways Precinct Properties

Notes:

1. Retail vacancy:

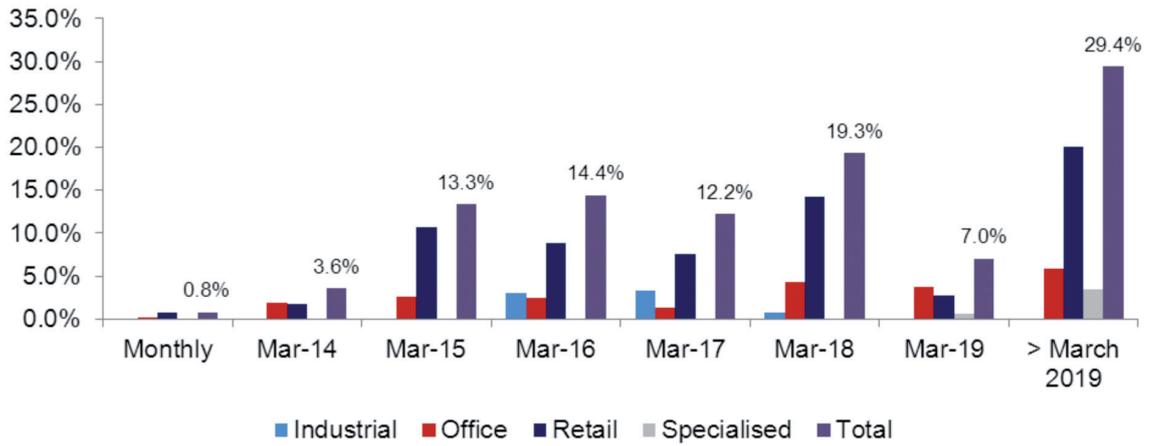
- The major vacancy in Fourways Mall Shopping Centre relates to 2 864m² previously occupied by Virgin Active, who have since relocated to Cedar Square. This space has strategically not been let and forms part of the broader plan of the Development.

2. Office vacancy

- Cherry Lane is currently 42.4% vacant, which accounts for 11.1% of the total vacancy across the Property Portfolio. Significant interest has been shown for the vacant space, and Accelerate is currently in talks with two prospective National tenants.

6.8 Lease expiry profile by GLA

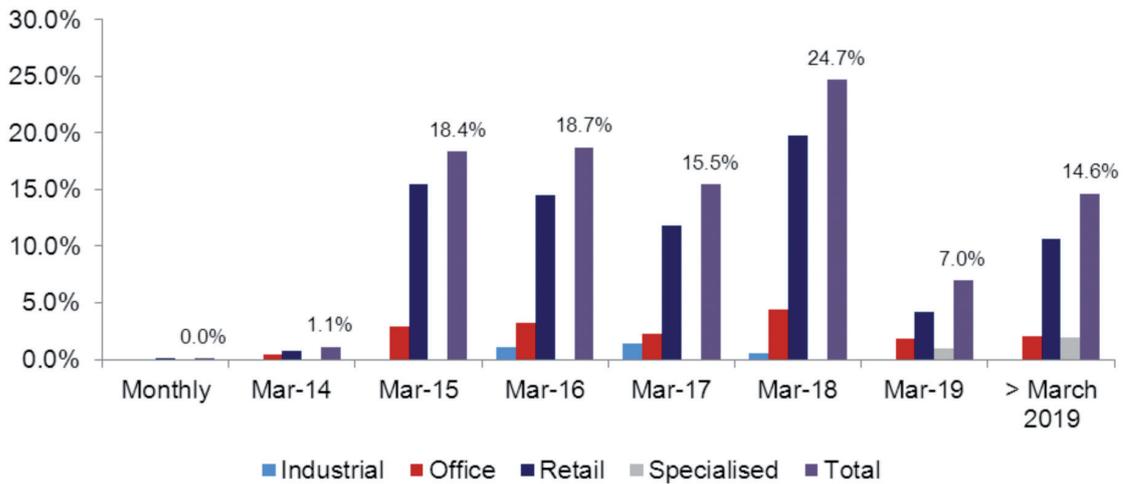
The lease expiry profile reflects current leases expiring as a percentage of both GLA and current income receivable for the Property Portfolio:



The weighted average lease expiry of the Property Portfolio by GLA is 3.26 years.

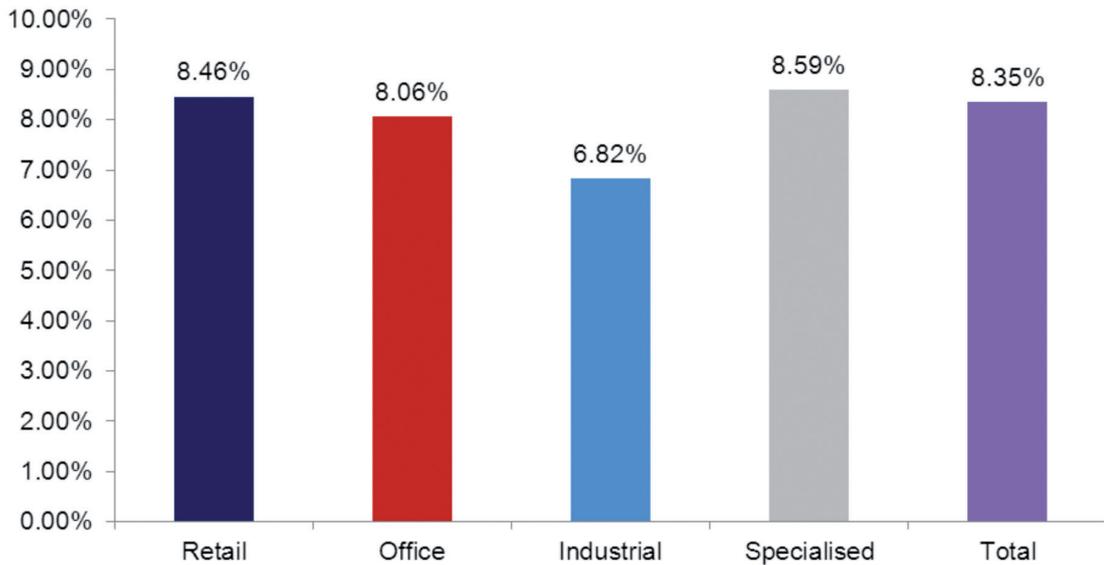
6.9 Lease expiry profile by gross rental

The weighted average lease expiry of the Property Portfolio by gross rental is 3.86 years.



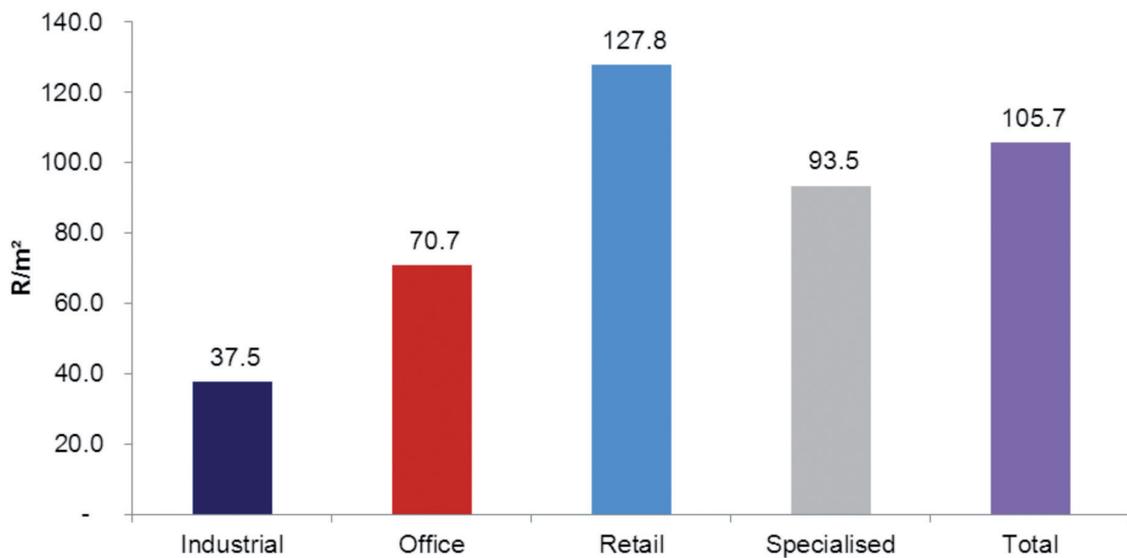
6.10 Rental escalations

The annualised weighted average rental escalations in the Property Portfolio for the rolling twelve months ending 30 November 2014 is set out in the graph below:



6.11 Gross rental per m²

The weighted average gross rental per m² for Accelerate by sector for the rolling 12 months ending 30 November 2014 is set out in the graph below:



6.12 Valuation reports

The Property Portfolio is valued at a fair value of R5 973 400 000 by the Independent Valuers, with a valuation date as at 1 October 2013. The Purchase Consideration represents a discount of c. 6% – 9% to the Independent Valuers' valuation of the Property Portfolio. The summary reports are presented in Annexure 2 to this Pre-listing Statement, with the detailed reports being available for inspection in terms of paragraph 32 below.

6.13 Title to the Land

All the Land is acquired on a freehold basis other than a number of sectional title units (Valley View Units 1, 4, 5 and 7), which are acquired under sectional title ownership.

At the Last Practicable Date, Accelerate is not aware of any impediment having been raised in respect of the proposed transfer of the Land to Accelerate and is therefore confident that the Land will transfer to Accelerate on the day prior to the date of Listing.

The Vendors have warranted that they have the absolute right to sell the Property Portfolio to Accelerate and therefore Accelerate is not aware of any reason for any of the Land not to be transferred to Accelerate. Should the Vendors for whatsoever reason fail to transfer any Land to Accelerate, Accelerate is entitled in terms of the Sale and Purchase Agreements to claim specific performance of the Vendors to ensure transfer takes place, failing which Accelerate will be entitled to claim damages.

For these reasons no provision has been made for the possibility of any Land not transferring to Accelerate as this is considered to be an unlikely scenario. Should Accelerate become aware at any time that there is a possibility of any Land not being capable of being transferred to Accelerate, this fact will be communicated on SENS.

6.14 **Transfer of risks and rewards of ownership and interim period provisions**

Notwithstanding the date of transfer of any of the Land comprising the Property Portfolio, the Sale and Purchase Agreements provide that the sole risk, loss or profit of the Property Portfolio transfers to Accelerate on the Property Portfolio Transfer Date.

In respect of any Land which does not transfer on the day prior to the date of Listing namely the Property Portfolio Transfer Date, the Sale and Purchase Agreements provide that delivery of the Letting Enterprises shall nonetheless take place on the Property Portfolio Transfer Date, save that delivery of one component of the Letting Enterprises, namely the Land, will take place on the date on which transfer of the Land is registered into the name of Accelerate. The following provisions will also apply on the Property Portfolio Transfer Date:

- Accelerate will procure that the Shares forming part of the Share portion of the Purchase Consideration in respect of any Land not transferred are issued in the name of the Vendor. Accelerate will deliver the Shares in unlisted, certificated form to Ironwood Trustees to hold the Shares in escrow pending the transfer of the Land to Accelerate. On the date of the Transfer of the Land in question, Ironwood Trustees will release the Shares to the Vendors.

6.15 **Value-added tax**

The Land and the Letting Enterprises conducted thereon are sold and transferred as a going concern from the Vendors to Accelerate and will be zero-rated for VAT purposes.

6.16 **Income and Vacancy Guarantee**

6.16.1 **Income Guarantee**

- In terms of the Fourways Development Sale Agreement, Fourways Precinct guarantees that the Net Income in respect of the Fourways Development Letting Enterprises shall not be less than the Fourways Development Guaranteed Income of R163 500 000 per annum escalating at 6% per annum during the Fourways Development Guarantee Period.
- If the income actually received by Accelerate during the Fourways Development Guarantee Period is less than the Fourways Development Guaranteed Income, then Fourways Precinct is liable to pay to Accelerate the shortfall between the Fourways Development Guaranteed Income and the actual income received by Accelerate.
- As security for the payment of the shortfall contemplated above, Fourways Precinct has agreed until the end of the Fourways Development Guarantee Period to:
 - make a payment of R18 million to the Attorneys to be held in trust account; and
 - pledge Shares having a value of not less than R14 million as at the date of Listing to be held in trust account.
- Fourways Precinct is required to maintain the R18 million in cash and R14 million in Shares at all time to the extent the Income Guarantee is drawn.

6.16.2 **Vacancy Guarantee**

- In terms of the Vacancy Guarantee Agreement, Fourways Precinct has guaranteed the Fourways Vacancy Guaranteed Income, the Fourways Development Vacancy Guaranteed Income and the Orthotouch Letting Enterprises Vacancy Guaranteed Income to Accelerate for the Vacancy Guarantee Period in respect of the Fourways Vacant Premises, Fourways Development Vacant Premises and the Orthotouch Letting Enterprises Vacant Premises; and
- As security for the payment of the Fourways Vacancy Guaranteed Income, the Fourways Development Vacancy Guaranteed Income and the Orthotouch Letting Enterprise Vacancy Guaranteed Income, Fourways Precinct has agreed until the end of the Vacancy Guarantee Period to:
 - make a payment of R18 million to the Attorneys to be held in trust account; and
 - pledge Shares having a value of not less than R14 million as at the date of Listing to be held in trust account,(being the same security referred to under the Income Guarantee).

- If at any time payment under the Vacancy Guarantee is made by realizing the pledge Shares, then Fourways Precinct shall immediately cede and pledge that number of additional Shares necessary to reinstate the number of pledged Shares to a number of Shares not having a value of less than R14 million.
- If Accelerate exercises its rights to realise its security held under the Vacancy Guarantees, then Fourways Precinct shall immediately make payment to the Attorneys of the amount necessary to reinstate the Guarantee Amount to the sum of R18 million.

6.17 Conditional Deferred Payment Agreement

Accelerate and the Vendors have agreed that where vacancies of the Letting Enterprises are on average in excess of 10% for office properties and 5% to 10% for retail properties (other than the Fourways Development and Fourways Letting Enterprises), Accelerate will only pay for the Excess Vacant Premises (in the form of a Conditional Deferred Payment) once that Excess Vacant Premises has been let. The Purchase Consideration is therefore net of the Conditional Deferred Payment.

The terms of the Conditional Deferred Payment are set out below:

- For each Excess Vacant Premises, should the relevant Vendor let some or all of that property's Excess Vacant Premises, such Vendor will be paid the relevant deferred amount (subject to the Maximum Conditional Deferred Payment of the relevant Letting Enterprise);
- The Conditional Deferred Payment due to the Vendor on the fulfilment of the Deferred payment conditions on a relevant property will be calculated by capitalising the attributable 12-month forward Net Income (gross rental per the new lease less property management fees (1% of gross rental), bad debts provision (0.5% of gross rental), tenant installations (0.5% of gross rental), and any other non-recoverable incremental expenses to be incurred by Accelerate as a result of the new lease) at the applicable pre-agreed Yield Rate for that Letting Enterprise;
- The Conditional Deferred Payment will be settled by Accelerate by the issue and allotment of the Additional Shares to the Vendor at a clean 30-day VWAP, with an antecedent divestment of distributions by the Vendor to Accelerate where applicable;
- In this context in order for the Vendor to be entitled to any accrued distribution on the Additional Shares it receives, the Vendor will pay to Accelerate any accrued distribution up to the issue date (to be calculated by Accelerate at that time) as an antecedent payment to Accelerate prior to the issue date. Alternatively the Antecedent amount due by the Vendor can be deducted from the Conditional Deferred Payment due to the Vendor and less Accelerate Shares issued to the Vendor as a result;
- Where applicable Additional Shares will be issued to the Vendors bi-annually following the record date for the interim and final distributions, respectively;
- The deferred payment arrangement is not transferrable if Accelerate sells the relevant property within 3 years of Listing; and
- The Deferred payment conditions which are applicable to new leases on all Excess Vacant Premises include the following:
 - the tenant has a clear credit record;
 - Transunion ITC conducts a credit enquiry into the tenant, and the tenant is not listed, nor is there any judgements against the tenant and the Vendor, acting reasonably, is satisfied with the outcome of the credit enquiry;
 - minimum lease period of 3 years (2 years for individuals);
 - gross rental/m² must be at least 90% of the budgeted rental or market related rental at that time;
 - escalations at CPI + 2% subject to a minimum of 7%;
 - minimum 3-month deposit (excluding Anchor Tenants);
 - Accelerate to approve each lease/tenant, which approval shall not be unreasonably withheld;
 - the lease must be on the same terms and conditions as contained in Accelerate's standard written agreement of lease;
 - the proposed usage of the leased premises by the tenant complies with the zoning of the leased premises;
 - if the tenant intends to lease a portion of the Excess Vacant Premises in a specific Letting Enterprise, then the Vendor, acting reasonably, must be satisfied that the sub-division of such Excess Vacant Premises will not adversely affect the ability to let the remainder of the Excess Vacant Premises in that Letting Enterprise; and
 - any new leases or tenants must be approved by Accelerate (acting reasonably).

An illustrative example of the Conditional Deferred Payment is shown below:

- Letting Enterprise is 9 Charles Crescent.

Details of Letting Enterprise

| | | |
|---|-------|------------|
| GLA (m ²) | | 4 298 |
| Current vacant space (m ²) | A | 2 254 |
| Vacancy (%) | | 52.4% |
| Initial purchase price (Rand) for 47.6% of GLA | | 17 099 946 |
| Yield (%) | | 11.0% |
| Structural vacancy (m ²) | B | 430 |
| Structural vacancy (%) | | 10% |
| Excess Vacant Premises GLA subject to Deferred payment (m ²) | A – B | 1 824 |
| GLA subject to Deferred payment (%) | | 42.4% |
| Budget gross revenue/m ² | | 112.7 |
| Additional variable costs from letting the vacant space at 2% of gross revenue (R)* | | 49 336 |

Taking the above into account and assuming the Vendor lets the Excess Vacant Premises in 9 Charles Crescent of 1 824m² (42.4% of total GLA), the following will apply in calculating the Maximum Conditional Deferred Payment:

- Accelerate will only pay for the 42.4% of additional space (i.e. total vacancy less structural vacancy, which equates to 1 824m²).
- Additional income from the 1 824m² = 1 824m² × R112.7 × (98%*) × 12 = R2 417 410 per annum.
- The incremental net income of R2 417 410 is then capitalised at the initial 11% Yield, which results in a Maximum Conditional Deferred Payment of R21 976 455.
- At the time when the calculation is performed any other non-recoverable incremental expenses to be incurred by Accelerate as a result of the new lease will be deducted to determine the incremental net income from the new lease.
- A portion of the non-recoverable fixed costs relating to the vacant space will already be included in the initial purchase price of R17 099 946.

6.18 Warranties in respect of the Land and Buildings

In terms of the Sale and Purchase Agreements, the Vendors and/or the Registered Owners have provided Accelerate with the warranties commonly provided for in transactions of this nature. The warranties have been given from the date of signature of the Sale and Purchase Agreements. Save in respect of the warranties so provided, the Property Portfolio is acquired from the Vendors without any further warranties whatsoever, express or implied; subject to:

- all the conditions, burdens, encumbrances and servitudes referred to in the title deeds of the Land;
- all such other conditions, burdens, encumbrances and servitudes which may exist in regard thereto.

The Vendors and/or Registered Owners have indemnified Accelerate against any limited loss, liability, damage or expense which Accelerate may suffer as a result or may be attributable to a breach of warranties as reflected in the Sale and Purchase Agreements.

7. STRATEGY AND PROSPECTS

Accelerate has a three-pronged strategy, which is as follows:

7.1 Fourways development

7.1.1 Fourways development and management team

The Fourways area has been earmarked as the next CBD by local council. Accelerate's strategic intention is to capitalise on its dominant position in the Fourways Node afforded to it by its ownership of the Fourways Development Letting Enterprise and other prime retail investments and development opportunities in the immediate vicinity. This unique opportunity positions Accelerate extremely well in the short term and provides for considerable growth into the future.

The Fourways area is one of the most anticipated retail property development Nodes in South Africa, and is the crossing point of two major arterial routes in the prestigious northern suburbs. It boasts one of the fastest growing commercial and residential hubs in northern Johannesburg. This growth,

continuous upgrading of infrastructure as well as its proximity to Lanseria airport, prestigious schools, Life Hospital Fourways, well-known residential estates such as Dainfern, Fourways Gardens, Cedar Lakes, Steyn City as well as Monte Casino Entertainment, Hotel and Conference Centre makes this area the most ideal development site for one of the largest retail shopping centres in the Southern Hemisphere.

The local municipality has approved a GLA of approximately 400 000m² of development rights. This compromises the rezoning of various parcels of land as well as the successful purchase of additional properties, making it one of the largest retail Nodes in South Africa today.

Of the 400 000m² of development rights that are available, approximately 162 000m² have already been constructed, with 74 000m² successfully developed by Fourways Precinct. The rezoning of the Land and the support received from the local authorities culminated in the development of a master plan to achieve approximately 1 000 000m² of development rights, with a 60-storey high rise building – the largest and tallest building in Africa.

In terms of the Development, Mr Michael Georgiou, the current owner of Fourways Precinct, will develop the existing Fourways Development Land and the Unutilised Bulk by adding an additional 90 000m² of retail shopping to convert the Fourways Development Land into a Super Regional Shopping Centre of c. 175 000m² under one roof (comprising the Fourways Development Letting Enterprises). In addition to the significantly enhanced retail space, a new parkade consisting of 3 500 bays will be built. Upon completion, this centre will dominate the retail space and will be able to attract patrons with an enhanced offering. The anticipated timeframe for the Development is 3 years.

Fourways Precinct will use its reasonable endeavours to commence the Development as soon as possible after the Listing Date but by no later than 12 months.

In addition to the significantly enhanced retail space, approximately R270 million will be spent on the adjacent infrastructure and R30 million on the refurbishment of the existing Fourways Mall Shopping Centre. Fourways Precinct has undertaken to commence the refurbishment within 90 days from Listing to be completed within 12 months from Listing. The infrastructure spend, including fly-ways directly into the Fourways Mall Shopping Centre from the existing road network have been planned and approved by council.

With the introduction of fly-ways directly into the Fourways Mall Shopping Centre and road widening as well as major municipal infrastructure upgrades, the new Fourways Node will draw from even its non-traditional catchment areas. With its neighbours, it has the ability to become a major tourist destination, with access to domestic and private commuters by means of Lanseria airport.

In order to limit any impact to income on the existing Fourways Mall Shopping Centre as a result of the Development, whether by loss of income or inconvenience, the Development has been planned so as to minimise any disruption to the day to day operations of the mall. Notwithstanding this, Fourways Precinct has provided an income guarantee equal to the Fourways Development Guaranteed Income to Accelerate (secured by R18 million in cash and R14 million in Shares) for the period of the Development as detailed in paragraph 6.16.1 above.

Fourways Precinct has a highly-experienced and skilled development team having, collectively, managed over 100 developments. This team will, in conjunction with industry leading construction companies and related service providers, implement the Development.

The current demand for space and the above average trading density in the centre has resulted in national tenants expressing strong interest to take up approximately 60% of the new available space. New international tenants who are entering the South African market have also expressed interest to take up an additional 15% of the available space. This has given rise to a new and improved standard of retail development and gives Fourways the competitive edge in the market.

7.1.2 **Equalisation**

The Fourways Development Sale Agreement provides that on completion of the Development as notified by Fourways Precinct or alternatively as notified by Accelerate at anytime after the Development is 75% tenanted and the Practical works certificate has been issued by the relevant contractor, the Fourways Development Letting Enterprises and the letting enterprise conducted in the buildings constructed pursuant to the Development will be combined. A comparison will be made between the greater of the Fourways Development Guaranteed Income and the 12-month forward Net Income payable to Accelerate in respect of the Fourways Development Letting Enterprises and:

- if the notification to equalise is made by Fourways Precinct, the 12-month forward sustainable contracted Net Income payable to Fourways Precinct from the letting enterprise created by virtue of and as a consequence of the Development; or

- if the notification to equalise is made by Accelerate, the 12-month forward sustainable projected Net Income payable to Fourways Precinct from the letting enterprise created by virtue of and as a consequence of the Development. In this instance the calculation of the sustainable 12-month projected Net Income payable to Fourways Precinct from the letting enterprise created by virtue of and as a consequence of the Development will take into account a structural vacancy of 1%.

The purpose of the comparison is to calculate the quantum of the undivided share in the Fourways Development Land and the Fourways Development Letting Enterprise which is to be transferred to Fourways Precinct on completion of the Development. It is contemplated that Fourways Precinct will hold an undivided 61.54% in the aforementioned combined letting enterprises and Accelerate will hold an undivided 38.46% share in the aforementioned combined letting enterprises based on current rental projections. The intent is thereafter that Fourways Precinct and Accelerate hold the aforementioned combined letting enterprises in equal shares.

In order to do so, each of Accelerate and Fourways Precinct have an option to acquire further undivided shares in the aforementioned combined letting enterprises to bring their holding in the aforementioned combined letting enterprises up to 50% for a purchase price calculated at a capitalisation rate of 7%. Should Accelerate choose not to exercise its option at that time, Accelerate will maintain an ever green pre-emptive right over the Fourways Development Letting Enterprises with the necessary grandfather clauses.

If Fourways Precinct is unable to complete the Development, then Accelerate is entitled with the consent of the financiers of the Development to procure the completion of the Development. Accelerate's undivided share in the aforementioned combined letting enterprises will be adjusted upwards on the contribution which Accelerate makes to the completion of the Development.

7.2 Future prospects and strategy of the Property Portfolio

The long-term objective of Accelerate is to grow its asset base by investing in well-priced income-producing properties to optimise capital and income returns over time for Shareholders whilst maintaining a strong bias towards the defensive retail sector. The Company may also, from time to time, redevelop properties to enhance value and support longer-term income and capital growth.

The primary objectives of Accelerate are to:

- provide an income stream through the acquisition and redevelopment of retail, office and industrial investment properties;
- grow its asset base by investing in fairly valued income producing properties;
- secure a well-diversified Property Portfolio that provides good growth opportunities;
- optimise and secure long-term distribution and capital growth;
- allow Shareholders to participate in the Net Income (after providing for related expenditure) by distributing significantly all the Net Income to Shareholders.

Post-Listing, Accelerate's immediate strategy to achieve the above objectives is set out below:

- Deliver income and capital growth:
 - At the Last Practicable Date the weighted average annual escalations across the Property Portfolio is 8.35%. Accelerate will seek to maintain the average escalations of its Property Portfolio at above long-term inflation targets;
 - Accelerate will pursue opportunities to achieve positive rental reversions and thus reduce the cost to income ratios within its Property Portfolio; and
 - Accelerate will seek to access the debt capital markets to further diversify its sources of funding.
- Grow its asset base and secure a diversified portfolio with a strong bias toward the defensive retail sector:
 - Accelerate will seek to access the unique pipeline of off-market acquisitions available to it through its affiliation with the Georgiou Group; and
 - Accelerate's pre-emptive rights over various iconic properties such as Parow Centre in the Western Cape Province and Loch Logan (the largest shopping centre in central South Africa) in Bloemfontein, Free State Province.
- Fourways Development, Fourways Mall Shopping Centre refurbishment and the upliftment of certain properties within the Property Portfolio:
 - Fourways Precinct will implement the Development to introduce an additional 90 000m² of retail space to the Fourways Mall Shopping Centre. Following the Development the Fourways Mall Shopping centre will be a Super Regional Shopping Centre into which Accelerate will own an undivided share. As part of the Development significant infrastructure and traffic upgrades to significantly improve access to the Fourways Mall Shopping Centre will be undertaken by Fourways Precinct which will have significant benefits for Fourways Mall Shopping Centre and Accelerate;

- Fourways Precinct will commence a refurbishment of the existing Fourways Mall Shopping Centre (at no cost to Accelerate) within 90 days of the Listing; and
- As part of the Offer Accelerate will raise R65 million for the defensive upliftment of certain other properties within the Property Portfolio. The upliftment projects will commence immediately after the Listing.

Should the opportunity arise, Accelerate may consider the acquisition of additional immovable properties or investment in other listed property funds that will contribute favourably over time to the capital and income returns for Shareholders.

7.3 Strategic buying and selling of properties

Relative to a number of the other listed property funds, specifically property funds listed on the JSE in the last 2 years, Accelerate has the strategic advantage of commencing operations with a substantial Property Portfolio independently valued at R5 973 400 000. In addition, Accelerate has the benefit of a natural pipeline of potential property investments from within the “Georgiou stable” as well as other strong relationships in the industry. To this end, Accelerate has entered into the Pre-emptive Rights Agreement in terms of which it has been granted a pre-emptive right to acquire all letting enterprises with a transaction value above R100 million within the Georgiou Group property portfolio other than Orthotouch and an option to acquire 50% undivided share in the Loch Logan Waterfront letting enterprise from the earlier of two years from Listing or after the re-development of Loch Logan has been completed, at a price to be agreed at during that time. Any letting enterprise acquired by Accelerate from Mr Michael Georgiou or his associates as defined in the Listings Requirements will be recognised as a related party transaction in terms of Section 10 of the Listings Requirements. It is anticipated that Accelerate will be required to obtain a fairness opinion or an independent property valuation from a JSE-approved independent expert in respect of any such acquisition and the details relating to such an acquisition will, at a minimum, be released on SENS and published in the South African press.

Furthermore, the cost of future acquisitions by Accelerate will be greatly reduced in comparison to many other listed companies. Firstly, the abovementioned network will significantly reduce the need for Accelerate to make use of traditional property brokers. Secondly, Accelerate has internalised its asset management function, thereby largely negating the traditional costs associated with this function.

Apart from the agreements entered into for the Willows Shopping Centre and Rietfontein Pavilion, all other existing rights of pre-emption on any of the Letting Enterprises have been waived in favour of Accelerate for purposes of the Offer and Listing.

8. DIRECTORS

8.1 Details of Directors

The overall direction, supervision and management of Accelerate will be the responsibility of the Board who will be entitled to delegate certain of these functions to the Property Manager and the Investment Committee.

The MOI of Accelerate provides that the Board must comprise no less than four Directors.

The full names, ages, capacities and business addresses of the Directors are set out in the table below:

| Full name | Age | Capacity | Business address |
|-----------------------------|------------|-------------------------|--|
| Tito Titus Mboweni | 54 | Non-executive Chairman | 107 Seven Oaks, 21 Third Street, Killarney |
| Michael Nicolas Georgiou | 43 | Chief Executive Officer | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Andrew Costa | 42 | Chief Operating Officer | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Dimitrios Kyriakides | 58 | Financial Director | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| John Ralph Janisch Paterson | 39 | Executive Director | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |

| Full name | Age | Capacity | Business address |
|------------------------------|------------|---|---|
| Dr Gert Christiaan Cruywagen | 58 | Lead independent non-executive Director | Palazzo Towers East, Montecasino Boulevard, Fourways |
| John Richard Parker Doidge | 65 | Independent non-executive Director | 3rd Floor, 200 on Main, corner Main and Bowwood Roads, Claremont, Cape Town |
| Timothy John Fearnhead | 65 | Independent non-executive Director | 13 Argyle Avenue, Craighall, Johannesburg |
| Kolosa Madikizela | 33 | Independent non-executive Director | Building 30, Woodlands Office Park, Woodlands Drive, Woodmead |

All the Directors are South African citizens and permanent residents of South Africa.

The Audit Committee of Accelerate has considered and satisfied itself as to the appropriateness of the expertise and experience of the Financial Director. In terms of the Listings Requirements all Directors will retire at the first annual general meeting of Accelerate but will make themselves available for re-election by the Shareholders.

Certain of the Directors listed above are also directors and/or employees of Prop Manco, however, they are all experienced Directors who have a clear understanding of their fiduciary duties as Directors of Accelerate. The Board will at all times exercise due care and diligence in the performance of its duties in accordance with the highest possible standards.

The Company Secretary will support the Directors in maintaining the regulatory compliance of Accelerate. The Board has considered and satisfied itself as to the competence, qualifications and experience of the Company Secretary and believes that the Company Secretary will be able to provide the Board with the requisite support for its efficient functioning and discharge of its duties. In accordance with the recommendations of King III, the Company Secretary is not a Director of Accelerate and will maintain an arm's length relationship. The Company Secretary will be subject to an annual evaluation by the Board.

The full *curriculum vitae* of the Directors and a list of their other directorships are set out in Annexure 4 to this Pre-listing Statement.

Two additional independent non-executive directors with significant property related experience will be appointed to the Board post Listing and will form part of the Investment Committee.

8.2 Directors' declarations

None of the Directors mentioned in paragraph 8.1 above have:

- ever been convicted of an offence resulting from dishonesty, fraud or embezzlement;
- ever been put into liquidation or be placed under judicial management or had an administrator or other executor appointed during the period when the Director was (or within the preceding 12 months had been) one of its Directors, or alternate Directors;
- ever been declared bankrupt or sequestered in any jurisdiction and not been rehabilitated;
- at any time been a party to scheme of arrangement or made any other form of compromise with their creditors;
- ever been found guilty in disciplinary proceedings by an employer or regulatory body, due to dishonest activities;
- ever been involved in any receiverships, compulsory liquidations or creditors voluntary liquidations;
- ever been barred from entry into a profession or occupation;
- ever been convicted in any jurisdiction of any criminal offence or of an offence under legislation relating to the Companies Act;
- been removed from an office of trust, on the grounds of misconduct, involving dishonesty; and/or
- been given an order granted by court declaring the person delinquent or placing the person under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 69 of 1984, or if the person was disqualified by a court to act as a Director in terms of section 219 of the Companies Act, 61 of 1973.

All the Directors appointed have submitted their completed Director's declarations in compliance with Schedule 21 of the Listings Requirements.

8.3 Qualification, remuneration, borrowing powers and appointment of Directors

8.3.1 Extracts from the MOI relating to Directors

The relevant provisions of the MOI concerning the qualification, remuneration, borrowing powers and appointment of the Directors are set out in Annexure I4 to this Pre-listing Statement.

8.3.2 Borrowing powers

The Directors' borrowing powers have not been exceeded during the past three years and may only be varied by way of a special resolution passed by the Shareholders of Accelerate in general meeting.

It is the intention of the Board to limit the borrowings of the Company to a maximum of 50% of the total value of the Property Portfolio at any particular time.

8.3.3 Directors' service contracts and restraints of trade

All of the Directors, both executive and non-executive, have concluded service contracts with Accelerate, the terms and conditions of which are standard for such appointments.

All executive Directors appointments were effective 1 June 2013, save for Michael Georgiou, Dimitri Kyriakides and John Paterson who were appointed with effect from 1 January 2013. The duration of the appointments are indefinite subject to a three-month notice period.

None of the executive Directors are subject to restraints of trade.

8.4 Remuneration of Directors

Accelerate is a dormant company and therefore no Director had received any remuneration prior to the issue to this Pre-listing Statement.

The remuneration of any non-executive Director appointed to the Board will be limited to the re-imbursment of reasonable expenses incurred by such person for purposes of attending Board meetings and the appropriate Directors' fees, unless the Shareholders resolve otherwise in general meeting of Shareholders. The Directors' annual remuneration has been set out in the table below and will be paid on a *pro rata* basis for the period from the date of Listing to 31 March 2014:

| Name | Salary R'000 | Director's fees R'000 | Fees for other services R'000 | Provident/ Pension fund and medical aid contributions R'000 | Bonuses R'000 | Total R'000 |
|--------------------------------|-----------------|-----------------------------|--|--|------------------|----------------|
| Executive Directors | | | | | | |
| M Georgiou | 0 | 0 | 0 | 0 | 0 | 0 |
| A Costa | 2 000 | 0 | 0 | 0 | 0 | 2 000 |
| D Kyriakides | 1 800 | 0 | 0 | 0 | 0 | 1 800 |
| J Paterson | 1 700 | 0 | 0 | 0 | 0 | 1 700 |
| Non-executive Directors | | | | | | |
| G Cruywagen | 0 | 500 | 0 | 0 | 0 | 500 |
| J Doidge | 0 | 300 | 0 | 0 | 0 | 300 |
| T Fearnhead | 0 | 350 | 0 | 0 | 0 | 350 |
| K Madikizela | 0 | 300 | 0 | 0 | 0 | 300 |
| T Mboweni | 0 | 1 480 | 0 | 0 | 0 | 1 480 |
| Total | 5 500 | 2 930 | 0 | 0 | 0 | 8 430 |

Notes:

No payments are proposed to be made, either directly or indirectly, in cash or securities or otherwise to the Directors in respect of bonuses, expense allowances, benefits, pension contributions, management, consulting, technical or secretarial fees.

There will be no variation in remuneration receivable by any of the Directors as a consequence of the Listing.

No monies have been paid or agreed to be paid, within the three years preceding the Last Practicable Date, to any Director or to any company in which he is beneficially interested, directly or indirectly, or of which he is a director, or to any partnership, syndicate or other association of which he is a member, in cash or securities or otherwise, by any person either to induce him to become or to qualify him as a Director.

No fees have been paid or accrued as payable to a third party *in lieu* of Directors' fees.

No share options will have been granted at the date of Listing.

8.5 **Directors' interests**

8.5.1 **Directors' interests in Shares**

As at the Last Practicable Date (i.e. prior to the Offer) 100% of the Shares are directly held by Michael Georgiou. On the date of Listing only Michael Georgiou (through the Michael Family Trust) will hold Shares, having an indirect beneficial interest in 316 476 779 – 331 366 244 Shares representing 49.6% – 51.9% of the Shares in issue. To the extent that Michael Family Trust renounces the Shares subject to its irrevocable subscription commitment in favour of other Qualifying Investors, but subject to Michael Family Trust's total Shareholding in Accelerate not being less than 40% of the total Shares in issue, Michael Family trust will hold 255 475 516 Shares in Accelerate.

Of the 316 476 779 – 331 366 244 Shares, 219 175 452 – 238 561 226 Shares (RI 069 958 071 – RI 221 017 840) will be subject to a 2-year lock-in period post-Listing. Approximately R410 000 000 of those locked-in Shares will be encumbered by Michael Family Trust. In the event of default by Michael Family Trust, the Michael Family Trust lenders will be entitled to trade those Shares in a responsible manner; not negatively influencing liquidity and the Share price.

8.5.2 **Directors' interests in transactions**

Save as disclosed in this Pre-listing Statement, none of the Directors have had any material interest, direct or indirect, in any transaction entered into by the Company, which remains in any respect outstanding or unperformed.

8.6 **Board meetings**

As a matter of course, unanimity will be sought at the Board meetings. If a disagreement arises, the Chairman or Lead Independent Director, depending on the circumstances, will endeavour to reconcile the different viewpoints between the Directors. If this is not successful, the matter will be decided in accordance with the provisions of the paragraph below.

Matters for decision by the Board will be decided by a simple majority vote. Each Director will have one vote. Any Director who is absent from any meeting may nominate any other Director to act as his alternate and to attend, speak and vote in his place at the meeting.

8.7 **Directors' responsibility statement**

The Directors, whose names are set out in paragraph 8.1 above, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all the necessary information required by law and the Listings Requirements.

9. **RELATIONSHIP INFORMATION**

Mr Michael Georgiou is Chief Executive Officer of Accelerate and a director of Prop Manco. Mr Michael Georgiou is also a director of Fourways Precinct and a trustee of the Michael Family Trust, the sole shareholder of Fourways Precinct.

Fourways Precinct is the Vendor of the Fourways Development Letting Enterprises. Following the implementation of the Sale and Purchase Agreements, Fourways Precinct will retain ownership of the Unutilised Bulk.

Fourways Precinct will be developing the Unutilised Bulk in terms of the Development Management Agreement (the Development). In addition, in terms of the Co-Ownership Agreement, Fourways Precinct has been appointed to manage the Fourways Development Letting Enterprises.

Further details regarding the Acquisitions of the Property Portfolio from the respective Vendors are included in Annexure 16 to this Pre-listing Statement. Save as disclosed above, none of the other Directors have had a material beneficial interest in the acquisition or disposal of any Letting Enterprises of the Company during the preceding two years.

10. **CODE OF CORPORATE PRACTICE AND CONDUCT**

The Board is fully committed to the principles of the Code of Corporate Practices and Conduct as set out in King III. The Board recognises that it is ultimately responsible for conducting the affairs of the Company with integrity and in accordance with the generally accepted corporate practices. Accelerate's corporate governance statement is set out in Annexure 15 to this Pre-listing Statement.

FINANCIAL INFORMATION

11. UNAUDITED FINANCIAL INFORMATION

11.1 *Pro forma* statement of financial position

The *pro forma* statement of financial position of the Company as at 31 March 2013, before and after, the Acquisitions and the Offer is presented in Annexure 5 to this Pre-listing Statement. The Independent Reporting Accountants' limited assurance report on the unaudited *pro forma* statement of financial position of the Company is presented in Annexure 6.

11.2 Forecast statements of comprehensive income

The forecast statements of comprehensive income of the Company for the four months ending 31 March 2014, rolling twelve months ending 30 November 2014 and year ending 31 March 2015 are presented in Annexure 7 to this Pre-listing Statement. The Independent Reporting Accountants' limited assurance report on the forecast statements of comprehensive income of the Company is presented in Annexure 8 to this Pre-listing Statement.

11.3 Audited historical financial information

The historical financial information of the Company as at 31 March 2013 including the Company's accounting policies are presented in Annexure 10 to this Pre-listing Statement. The Independent Reporting Accountants' report on the historical financial information of the Company is presented in Annexure 11 to this Pre-listing Statement.

12. LISTED PROPERTY SECTOR PERFORMANCE

The listed property sector has seen a wave of new listings since 2011, as a result of various factors including the demand for higher yielding investments in a low interest rate environment, introduction of the new REIT legislation, unlisted portfolios trying to benefit from cheaper listed equity capital for expansion and access to growing debt capital markets amongst others. The introduction of REIT legislation has also provided an incentive for unlisted property companies to list their property portfolios on the JSE in order to access the Capital Gains Tax and other benefits enjoyed by REITs.

The wave of new listings has brought with it a number of black economic empowerment funds, which have a strong focus on Government tenants. Since 2011, property listings on the JSE include Arrowhead Properties Limited, Rebois Property Fund Limited, Dipula Income Fund Limited, Delta Property Fund Limited, Annuity Properties Limited, Vunani Property Investment Fund, Ascension Properties Limited, Tower Property Fund Limited and more recently Attacq Limited and Investec Australia Property Fund.

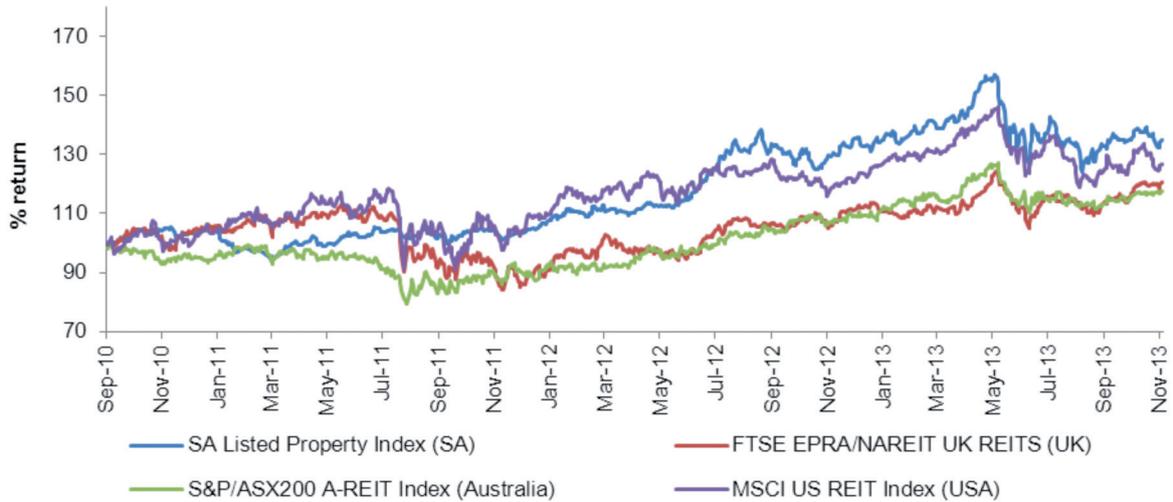
Performance

Due to low interest rates and strong investment flows in the past few years, the South African property market has rallied. 2012 was a particularly good year for property investors globally and in South Africa. The listed property sector in South Africa, represented by the JSAPY outperformed with total returns of 35.9% compared to 26.7% realised by the JSE All Share Index. The JSAPY has performed more moderately in 2013 with year to date total returns of c. 13% largely due to a structural increase in bond yields following comments made by the United States ("US") Federal Reserve in May 2013 which hinted at a possible tapering of the US bond purchase program (quantitative easing) should the US economic growth gain traction.

The impact of the above is that the cost of funding (both debt and equity) for property companies has increased from 2012 levels and, accordingly, property industry analysts do not expect the level of outperformance achieved in 2012 to be repeated in 2013 or 2014.

As illustrated in the graph below, the South African listed property sector has still outperformed its global counterparts over the last 3 years despite the recent volatility and sell-off:

Figure I.1: Global property performance



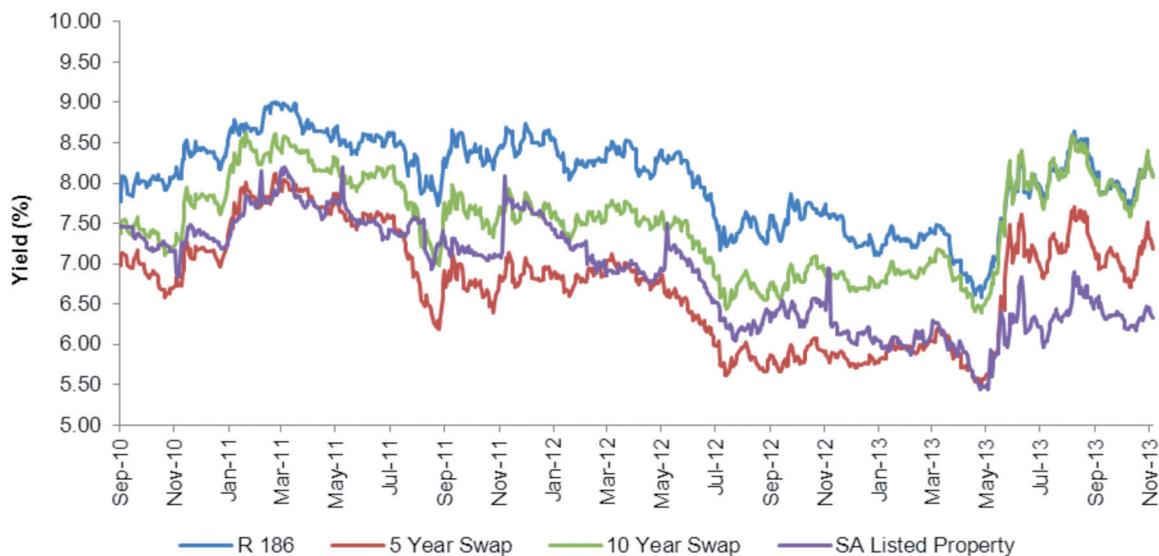
Source: Bloomberg

Property fundamentals

Notwithstanding the structural changes to the pricing of listed property equities relative to other investments with “fixed income” returns (bonds and cash deposits/money market investments) in May 2013, property fundamentals have not changed. The listed property sector generally offers investors a stable growing cash flow over time as well as consistent (albeit volatile in current market conditions) capital returns. As a proxy for fixed income investments the ability of the listed property sector to grow income over time on the back of fixed annual lease escalations is a key factor that differentiates listed property from cash and bonds. The income generated by cash and bonds is primarily fixed so they currently provide little or no protection against inflation.

At the Last Practicable Date the weighted average forward yield of the listed property sector (represented by the JSAPY) is c. 7.6%, which is lower than the average 8.4% offered by South African 10 year Government bonds, and higher than 5% earned on cash deposits. This is illustrated in the graph below. The listed property sector premium to long-term bonds reflects the higher growth prospects of listed property companies (linked to fixed annual lease escalations which are generally at or above inflation) versus long-term bonds (offering little or no protection against inflation).

Figure I.2: Money market yields vs. historic SA Listed Property Yields



Source: Bloomberg

Prospects

- Underpinned by property fundamentals as outlined above the listed property sector with forecast income growth of between 5% and 7% in 2014 which provides investors with attractive growth in income.
- Physical property is generally still trading at higher yields than listed property (in a range of 7.5% to 9.5%) versus the sector's 7.6%, therefore unlisted property portfolios offer capital growth upside as they often enter the listed market at a discount to their existing listed counterparts.

13. DISTRIBUTION POLICY

The Directors anticipate that the first distribution payable to Shareholders will be the distribution in respect of the period ending 31 March 2014 which is expected to be paid in June 2014. It is the Directors' intention to declare a distribution bi-annually, which is expected to be paid on the earlier of the date on which a distribution in respect of the Shares is payable, and four months after the end of the Financial Year or half-yearly period. Any interest on distributions remaining unclaimed may be retained by the Company and invested or used as the Directors deem fit for the benefit of the Company or may be paid into a separate account, and any distributions unclaimed are to be kept in a trust for an indefinite period subject to the laws of prescription. The Vendors have antecedently renounced the distributions payable in respect of the Shares issued to them relating to the bulk land being acquired by the Company under the Fourways Sale Agreements until such time as the bulk is developed and is income producing.

The Directors confirm that the Company will distribute at least 75% of its total distributable profits as a distribution to Shareholders by no later than 6 months after the Financial Year end, subject to the relevant solvency and liquidity test as defined in the Companies Act.

14. MATERIAL CHANGES

The Directors confirm that there has been no material change in the financial or trading position of Accelerate between the previous financial reporting period ended 31 March 2013 and the date of issue to this Pre-listing Statement, other than the impact of the information contained in this Pre-listing Statement. Furthermore, there have been no material changes in the business of Accelerate since incorporation other than those set out in this Pre-listing Statement in respect of the acquisition of the Property Portfolio.

15. CAPITAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

At the Last Practicable Date, Accelerate had no material commitments for capital expenditure other than to acquire the Property Portfolio. In terms of a property-by-property analysis (excluding Fourways Development Letting Enterprises) by an independent quantity surveyor, Accelerate has planned capital expenditure amounting to approximately R65 million earmarked for the upgrade of existing properties. Any capital expenditure incurred on the Property Portfolio is subject to approval by the Board and will be embarked upon based only on investment-based value-add decision-making processes. At the Last Practicable Date, Accelerate had no lease payment liabilities.

16. LOANS

The following table sets out, *inter alia*, the facilities available to Accelerate (being the lesser of 40% of the independent fair value of the Property Portfolio and R3 billion) in respect of the Property Portfolio and the indicative terms thereof, based on term sheets provided by RMB and Investec:

| Financier | Facility | Interest rate | Terms |
|-----------|----------------|-----------------------|---|
| RMB | RI 194 280 000 | Blended rate of 7.09% | 1 to 5 years, senior secured by first ranking mortgage bond |
| Investec | RI 194 280 000 | Blended rate of 6.99% | 1 to 5 years, senior secured by first ranking mortgage bond |

RMB shall be entitled to act as mandated lead debt arranger.

The debt will be raised at a blended annual rate of 7.03% on the total debt raised to the amount of R2 388 560 000. This debt will be raised as follows:

RI 194 280 000 through a loan from RMB:

- R179 142 000 (15%) 1-year variable rate funding at a rate of 6.58%;
- R119 428 000 (10%) 2-year fixed rate funding at a rate of 6.88%;

- R119 428 000 (10%) 3-year fixed rate funding at a rate of 7.00%;
- R358 284 000 (30%) 4-year fixed rate funding at a rate of 7.20%; and
- R417 998 000 (35%) 5-year fixed rate funding at a rate of 7.30%,
resulting in a blended rate of 7.09%.

RI 194 280 000 through a loan from Investec:

- R179 142 000 (15%) 1-year variable rate funding at a rate of 6.71%;
- R119 428 000 (10%) 2-year fixed rate funding at a rate of 6.93%;
- R119 428 000 (10%) 3-year fixed rate funding at a rate of 7.01%;
- R358 284 000 (30%) 4-year fixed rate funding at a rate of 7.01%; and
- R417 998 000 (35%) 5-year fixed rate funding at a rate of 7.10%,
resulting in a blended rate of 6.99%.

The above loans are not convertible or redeemable. Note that the fixed rate on the above loans is achieved through Accelerate novating in-the-money interest rate swaps on Listing, which hedge approximately 89.9% of the loan book. The average tenure of the debt is 3.6 years and is fixed for 3.7 years.

Accelerate has not issued any debentures as at the Last Practicable Date.

The Company has no loans receivable. No loans have been made or security furnished to the Directors as at the Last Practicable Date. The Company has no subsidiaries and therefore there are no material inter-company financial and other transactions or balances

17. **PROPERTY PORTFOLIO TO BE ACQUIRED**

The Company was dormant from incorporation until entering into the material contracts, details of which have been incorporated in Annexure 12 to this Pre-listing Statement. The salient terms and conditions and warranties relating to the Sale and Purchase Agreements are also included in Annexure 12. Other than the Land and Letting Enterprises comprising the Property Portfolio, no land or letting enterprises or subsidiaries have been acquired by the Company since incorporation

Details of the principal immovable properties owned and to be owned by the Company are set out in Annexure 1 to this Pre-listing Statement.

Other than the Acquisitions, the application for Listing does not coincide, directly or indirectly, with the acquisition by the Company of securities in or of the business undertaking of any other company, in consequence of which that company or business undertaking would become a subsidiary of or part of the business of the Company.

At the Last Practicable Date, Accelerate had a lease in respect of its offices at Cedar Square Shopping Centre, 1st Floor, Management Offices, Cedar Road, Fourways with an area of 1 460m², tenure and unexpired term of three years and a rental of R163 620.80 per month guaranteed by Fourways Precinct. Escalation is at 8% from 1 April of each year.

18. **PROPERTY DISPOSED OF OR TO BE DISPOSED OF**

Two of the Orthotouch Letting Enterprises – Willows Shopping Centre and Rietfontein Pavilion – were sold on 20 August 2010, but have not transferred to the 'purchasers' as of the date of Listing. Accelerate has been nominated as successor to the seller in terms of these agreements. In terms of the sale agreements the two Letting Enterprises were sold for R103 million and R34 million, respectively. The acquisition prices to Accelerate for those Letting Enterprises from the Vendor are R58.7 million and R24.4 million, respectively.

The salient terms of the sale agreements between the Vendor and the 'purchasers' include the following:

1. The 'purchasers' have an option to take transfer of these Letting Enterprises at any time within 5 years of signature of the deed of sale, subject to paying the full purchase price, plus interest at the rate of 11% per annum compounded monthly, and added onto the capital amount owing.
2. The purchasers have an obligation to pay R100 000 per month and R34 000 per month towards each property's expenses, and this amount reduces the capital amount owing by them on these properties.
3. The monthly Net Income derived from these Letting Enterprises shall also reduce the capital amount owing on these properties.
4. Until date of transfer, management of these Letting Enterprises shall be undertaken by the registered owners.

5. The day-to-day management and leasing of these Letting Enterprises is to be carried out by the 'purchasers'.
6. The resultant effect of the above transactions is that profit and cash flow for the 'seller' improves by R134 000 per month, being the R100 000 and the R34 000.
7. As a result of the uncertainty relating to the transfer date as well as to the financial position of the purchasers, interest charged on this account (excluding the R134 000 above) will not be accounted for in Accelerate's financials until these Letting Enterprises have been transferred and paid for by the 'purchasers'.

The 'purchasers' have an option to extend the transfer date by a further 5 years, on the same terms as above, except that interest will be charged to them on the capital amount owing, at a rate of 12.5% per annum, compounded monthly.

The Company will continuously monitor the Letting Enterprises within the Property Portfolio and will dispose of properties in the Property Portfolio if it is in the best interest of Shareholders to realise value.

Apart from the agreements entered into for the Willows Shopping Centre and Rietfontein Pavilion, all other existing rights of pre-emption on any of the Letting Enterprises have been waived in favour of Accelerate for purposes of the Offer and Listing.

SHARE CAPITAL

19. AUTHORISED AND ISSUED SHARE CAPITAL

On incorporation, the authorised share capital of the Company was R1 000 comprising 1 000 ordinary shares with a par value of 100 cents each. The issued share capital was R100 comprising 100 ordinary Shares of 100 cents each. On 22 January 2013 the issued ordinary par value Shares in Accelerate were registered in the name of Mr Michael Georgiou.

On 22 January 2013, two special resolutions were passed to convert the 100 ordinary par value shares into 100 no par value shares and increasing the authorised share capital to 10 000 000 000 Shares.

There have been no consolidations or subdivisions of the Shares in the three years preceding the Last Practicable Date.

There have been no offers of Shares in the three years preceding the Last Practicable Date.

Accelerate has not repurchased any of its Shares in the three years preceding the Last Practicable Date. There are no Shares held in treasury.

The authorised and issued share capital of Accelerate on the date of Listing is anticipated to be as follows based on the assumption that R2 047 956 000 has been raised at an issue price of R5.00 per Share:

Authorised

10 000 000 000 ordinary Shares of 100 cent per Share

Issued

Share capital

638 688 811 ordinary Shares of 500 cent each

R3 193 444 056

Of the total 638 688 811 Shares, 229 097 591 Shares will issued to the Vendors as part settlement of the Purchase Consideration, and the remaining 409 591 200 will be raised from the Offer.

All of the authorised and issued Shares (including those placed in terms of the Offer) are of the same class and rank *pari passu* in every respect. Accordingly, no Share has any special rights to dividends, capital or profits of the Company. All of the Shares are fully paid-up and freely transferrable.

The rights attaching to the Shares may be varied by special resolution of Accelerate approving such variation and, either with the consent in writing of the holders of three-quarters in nominal value of the issued Shares, or with the sanction of a resolution in the nature of a special resolution passed at a separate meeting of the Shareholders, in accordance with the provisions of the MOI. At any general meeting, every Shareholder present in person or by proxy (or if a legal entity, duly represented by an authorised representative) will have one vote on a show of hands and on a poll every Shareholder present in person or by proxy will have one vote for each Share held as set out in further detail in Annexure 14 to this Pre-listing Statement.

20. ADEQUACY OF WORKING CAPITAL

The Directors are of the opinion that:

- Accelerate's working capital resources will be adequate for its current and foreseeable future requirements;
- the issued share capital of Accelerate will be adequate for the purposes of conducting its business for the foreseeable future, being the 12 months following from the date of issue to this Pre-listing Statement.

21. UNISSUED SHARES

As provided for in the MOI of Accelerate, the authorised but unissued Shares of the Company are under the control of the Directors with authority to issue all or part thereof in their discretion subject to the provisions of section 38 of the Companies Act and the Listings Requirements and the Directors' limits as set out in paragraph 23 below.

22. **OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES**

Except for the Share Incentive Scheme a summary of which has been set out in Annexure 3 to this Pre-listing Statement, there are no contracts or arrangements, either actual or proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for Shares in Accelerate.

23. **GENERAL AUTHORITY TO ISSUE SHARES FOR CASH AND TO REPURCHASE SHARES**

23.1 **General authority to issue Shares**

In terms of the Listings Requirements, Shareholders of companies listed on the JSE may authorise the directors of such companies to issue unissued Shares held under their control for cash, subject to certain restrictions. In order to place the Directors in a position to take advantage of favourable circumstances that may arise from the issue of such Shares for cash for the benefit of the Company, the appropriate ordinary resolution in this regard is permitted by Accelerate's MOI and has been passed by Accelerate's existing Shareholder in compliance with both the provisions of the MOI and the Listings Requirements. At this stage, the Directors have no plans to issue these Shares.

The restrictions placed on such authority by the JSE are that:

- (i) this authority is valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 months from the date on which this authority is given;
- (ii) the calculation of the applicant's listed Shares must be a factual assessment of the applicant's listed Shares as at the date of notice of general/annual meeting, excluding treasury Shares;
- (iii) issues in terms of the authority will not exceed 15% in aggregate of the number of Shares in the Company's issued share capital in any one Financial Year, and that specific number must be included as a number in the resolution seeking the general issue for cash authority;
- (iv) any Shares issued under the authority during the period in (i) must be deducted from such number in (iii) above;
- (v) in the event of a sub-division or consolidation of issued Shares during the period contemplated in (i), the existing authority must be adjusted accordingly to represent the same allocation ratio;
- (vi) in determining the price at which an issue of Shares will be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price of such shares, as determined over a 30-Business Day period prior to the date that the price of the issue is determined by the Directors or agreed by the Directors and the party subscribing for the Shares;
- (vii) any such issue will only be made to public Shareholders (as defined in the Listings Requirements) and not to related parties, as defined in the Listings Requirements. A resolution authorising the general authority was passed by Accelerate's existing Shareholder on Monday, 18 November 2013.

Notwithstanding the above, the Directors irrevocably commit:

- in terms of paragraph 23.1(iii) above, that the number of Shares that can be issued in aggregate in one Financial Year will be limited to 10%; and
- in terms of paragraph 23.1(vi) above, that the maximum discount is limited to 5%.

23.2 **Authority to repurchase Shares**

The existing Shareholder of Accelerate approved a resolution on 18 November 2013, authorising the repurchase of Shares by the Company, and/or any subsidiary of the Company, from time to time and upon such terms and conditions and in such amounts as the Directors may determine.

Any such repurchase will be subject to the provisions of the Companies Act, the MOI and the Listings Requirements. In addition, any such repurchase will also be subject to the requirement that the Acquisitions by the Company, and its subsidiaries, of Shares may not in aggregate exceed in any one financial year 15% of the Company's issued Shares.

24. **OTHER LISTINGS**

Other than the Shares of Accelerate to be listed on the JSE (only one class), no other class of security is listed on any other stock exchange. The salient features of the Share Incentive Scheme are disclosed in Annexure 3 to this Pre-listing Statement.

25. **MAJOR AND CONTROLLING SHAREHOLDERS**

On incorporation, the founding shareholder of the Company was Rapid Co CC which owned 100% of shares in issue. On 20 March 2008 Rapid Co CC transferred 70 ordinary par value shares to Encha Properties Proprietary Limited (70%) and 30 ordinary par value shares in the Company to George Nicolas Trust (30%). On 22 January 2013 the issued ordinary par value shares in the Company were registered in the name of Michael Georgiou.

The sole Shareholder as at the Last Practicable Date was Michael Family Trust (who owns 100% of Fourways Precinct) who will be the controlling shareholder on the date of Listing, owning 316 476 779 – 331 366 244 or 49.6% – 51.9% of the issued Shares. To the extent that Michael Family Trust renounces the Shares subject to its irrevocable subscription commitment in favour of other Qualifying Investors, but subject to Michael Family Trust's total Shareholding in Accelerate not being less than 40% of the total Shares in issue, Michael Family trust will hold 255 475 516 Shares in Accelerate.

26. **RELATIONSHIP AGREEMENT**

The salient features of the Relationship Agreement between Michael Family Trust and Fourways Precinct is summarised in Annexure 13 to this Pre-listing Statement.

GENERAL INFORMATION

27. PROMOTERS' AND OTHER INTERESTS

Save as disclosed in paragraph 9 above, no promoter has had any material beneficial interest, direct or indirect, in the Land and Letting Enterprises acquired or to be acquired by the Company. No amount has been paid in the preceding three years, or is proposed to be paid to any promoter, partnership, syndicate or other association of which the Company is or was a member, other than fees payable to Fourways Precinct and Prop Manco as set out in paragraph 5 above. Since incorporation, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any Shares in the Company.

28. MATERIAL CONTRACTS

Save for the contracts listed below, Accelerate has not entered into any other material contract, being a contract entered into otherwise than in the ordinary course of business, within the two years preceding the Last Practicable Date or a contract entered into at any time containing an obligation or settlement that is material to Accelerate as at the Last Practicable Date:

- the Sale and Purchase Agreements;
- the Assumption Agreement;
- the Fourways Framework Agreement;
- the Praedial Servitudes;
- the Prop Manco Property Management Agreement;
- the Fourways Property Management Agreement;
- the Co-Ownership Agreement;
- the Development Management Agreement;
- the Vacancy Guarantee Agreement;
- the Novation Agreements;
- the Conditional Deferred Payment Agreement;
- Pre-emptive Rights Agreement; and
- the Forgoing of Distributions Agreement.

The abovementioned agreements have been summarised in Annexure 12 to this Pre-listing Statement and are available for inspection as set out in paragraph 32 below.

29. EXPERTS' CONSENTS

The Corporate Advisor, Bookrunner and Sponsor, Lead Sponsor, Attorneys, Independent Reporting Accountants and Auditors, Independent Valuers, Communications Advisor and Transfer Secretaries have consented in writing to act in the capacities stated and to their names being included in this Pre-listing Statement and have not withdrawn their consents prior to the publication of this Pre-listing Statement. The Independent Reporting Accountants and Auditors and Independent Valuers have consented to the inclusion of their reports in the form and context in which they appear and have not withdrawn such consents prior to the publication of this Pre-listing Statement.

30. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no Government protection or investment encouragement law affecting the business of Accelerate.

31. LITIGATION STATEMENT

There are no legal or arbitration proceedings nor are the Directors aware of any proceedings which are pending or threatened which may have or have had, in the 12-month period preceding the Last Practicable Date, a material effect on the financial position of Accelerate.

32. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at Accelerate's registered office at any time during business hours on weekdays (official public holidays excluded) from 27 November 2013 to 13 December 2013:

- the MOI;
- copies of all material contracts;
- the service contracts of the Directors;
- a signed copy to this Pre-listing Statement;
- the summary independent valuation reports on the Property Portfolio and the detailed valuation reports;
- a copy of the Share Incentive Scheme;
- the unaudited *pro forma* statement of financial position of the Company and the Independent Reporting Accountants' Report thereon;
- the unaudited forecast statements of comprehensive income of Accelerate and the Independent Reporting Accountants' report thereon;
- the independent limited assurance report on the value and existence of the Property Portfolio acquired as reflected in the unaudited *pro forma* statement of financial position of Accelerate;
- the audited financial statements of the Company for the period ended 31 March 2013; and
- the written consents of the experts.

SIGNED AT FOURWAYS ON 19 NOVEMBER 2013 BY MICHAEL GEORGIU IN HIS CAPACITY AS A CHIEF EXECUTIVE OFFICER OF ACCELERATE PROPERTY FUND LIMITED ON BEHALF OF EACH OF THE OTHER DIRECTORS OF ACCELERATE PROPERTY FUND LIMITED IN TERMS OF POWERS OF ATTORNEY GRANTED ON MONDAY, 18 NOVEMBER 2013.

Michael Georgiou
Chief Executive Officer

DETAILS OF THE PROPERTY PORTFOLIO

| Retail Portfolio | | | | | | | | | | | | | | |
|-------------------------------|--|---------------|---------|-----------------------------|--|----------------------------|------------------------------------|--|-------------|---|--------|---------------------|--------------------------------|----|
| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m ²) | Undeveloped bulk rate per m ² (R) | Vacancy (%) | Weighted average gross rate/ m ² (Per val) (R) | Zoning | Freehold/ Leasehold | Approx age of building (years) | |
| Regional Centres | | | | | | | | | | | | | | |
| Cedar-Square | Cnr Cedar Road Willow Avenue and Gousblom Crescent Witkoppen Sandton | Retail | Gauteng | 748 311 | 759 300 | 140 000 | 46 025 | 40 000 | 3 500 | 5.4 | 114.9 | Special – various | Freehold | 6 |
| Fourways Mall Shopping Centre | Cnr William Nicol Drive and Witkoppen Road, Witkoppen Sandton | Retail | Gauteng | 1 966 581 | 2 094 800 | – | 61 480 | – | – | 5.9 | 204.5 | Special – various | Freehold | 22 |
| Total Regional Centres | | | | 2 714 892 | 2 854 100 | 140 000 | 107 505 | 40 000 | | 5.7 | | | | |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m ²) | Undeveloped bulk rate per m ² (R) | Vacancy (%) | Weighted average gross rate/ m ² (Per val) (R) | Zoning | Freehold/ Leasehold | Approximate age of building (years) |
|--------------------------|--|---------------------|---------------|-----------------------------|--|----------------------------|------------------------------------|--|-------------|---|------------------------------------|---------------------|-------------------------------------|
| Community Centres | | | | | | | | | | | | | |
| Fourways View | Cnr Witkoppen Road and Cedar Avenue, Fourways Sandton | Retail | Gauteng | 277 865 | 312 500 | – | 12 962 | – | 6.4 | 151.5 | Special – various | Freehold | 8 |
| Kyalami Downs S/C | Cnr R55 and Kyalami Boulevard Kyalami Johannesburg | Retail | Gauteng | 130 000 | 132 000 | – | 14 096 | – | 3.9 | 100.9 | Special | Freehold | 25 |
| Leaping Frog | Campbell Road Witkoppen Sandton | Retail | Gauteng | 147 121 | 148 000 | – | 11 139 | – | 9.1 | 119.6 | Special – various | Freehold | 12 |
| Eshowe | 111-123 Osborne Road, Eshowe (Cnr Kangela) | Retail | KwaZulu-Natal | 47 258 | 52 200 | – | 11 735 | – | 14.4 | 61.4 | | | |
| The Buzz Shopping Centre | Cnr Witkoppen and Nerine Road Witkoppen Ext 116, Sandton | Retail | Gauteng | 240 999 | 280 900 | 61 500 | 14 291 | 20 500 | 12.7 | 108.4 | Special – various | Freehold | 8 |
| 7 Main Road Melville | 7 Main Road Melville Johannesburg | Retail with offices | Gauteng | 7 790 | 15 500 | – | 1 973 | – | 51.2 | 99.3 | Business I | Freehold | 40 |
| 9 Main Road Melville | 9 Main Road Melville Johannesburg | Retail with offices | Gauteng | | | – | 1 858 | – | 30.7 | 104.0 | Business I and 4 and Residential I | Freehold | 40 |
| 11 Main Road Melville | 11 Main Road Melville Johannesburg | Retail with offices | Gauteng | 27 339 | 31 500 | – | 1 355 | – | 0.0% | 99.0 | Business I and 4 and Residential I | Freehold | 40 |
| 14 Main Road Melville | 14 Main Road Melville Johannesburg | Retail with offices | Gauteng | 8 216 | 8 300 | – | 1 138 | – | 10.9 | 102.1 | Business I | Freehold | 40 |
| Beacon Isle | Ondekkers Road, Florida Roodepoort | Retail | Gauteng | 17 684 | 20 000 | – | 2 090 | – | 6.7 | 112.8 | Business I | Freehold | 20 |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m²) | Undeveloped bulk rate per m² (R) | Vacancy (%) | Weighted average gross rate/m² (Per val) (R) | Zoning | Freehold/Leasehold | Approximate age of building (years) |
|---|---|-----------------------|---------------|------------------------------------|---|-----------------------------------|------------------------------|---|--------------------|---|---|---------------------------|--|
| Cascades | Cnr Cascades and Waterfall Street | Retail | Gauteng | 14 000 | 15 000 | – | 3 441 | – | 9.7 | 51.6 | Business 1 | Freehold | 20 |
| Corporate Park Shopping Centre and Old Pretoria | Cnr Nyala Drive Main Road Randjespark Midrand | Retail | Gauteng | 9 227 | 29 500 | – | 5 200 | – | 48.8 | 71.5 | Special | Freehold | 25 |
| Eastlyne Shopping Centre | 43 Baviaanspoort Raod, East Lynne Pretoria | Retail | Gauteng | 30 499 | 33 000 | – | 7 633 | – | 10.9 | 63.1 | Special for shops | Freehold | 30 |
| Eden Terrace | Cnr Terrace and van Tonder Street | Retail | Gauteng | 32 000 | 38 000 | – | 4 661 | – | 4.7 | 93.4 | Business 1 | Freehold | 20 |
| Fourways Game | Cnr Short Street and Fourways Boulevard Witkoppen Ext 12, Sandton | Retail | Gauteng | 145 059 | 162 700 | – | 8 763 | – | 0.5 | 105.6 | Special – various | Freehold | 20 |
| Cherry Lane | 471 Fehrson Street Muckleneuk Pretoria | Retail | Gauteng | 80 476 | 102 000 | – | 11 672 | – | 42.4 | 104.7 | Special for shops and offices | Freehold | 15 |
| Highveld Centurion | Cnr Bradford and Logan Streets, Highveld Centurion Tshwane | Retail with offices | Gauteng | 43 460 | 46 500 | – | 4 777 | – | 15.4 | 114.1 | Business 2 | Freehold | 15 |
| Mr Price | Forsyth Road Somerset West | Retail with warehouse | Western Cape | 71 887 | 61 300 | – | 8 080 | – | 0.0 | 77.5 | Business 1 | Freehold | 5 |
| Rietfontein Pavilion | 734 Frates Road Pretoria | Retail | Gauteng | 24 379 | 28 000 | – | 3 780 | – | 0.0 | 87.5 | Special for business buildings, shops and places of refreshment | Freehold | 25 |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed independent valuer (R'000) | (Undeveloped bulk (R'000)) | GLA (m²) | Undeveloped bulk (m²) | Undeveloped bulk rate per m² (R) | Vacancy (%) | Weighted average gross rate/ m² (Per val) | Zoning | Freehold/ Leasehold | Approx age of building (years) |
|---------------------------------|---|----------------------|---------------|------------------------------------|--|-----------------------------------|----------------------------|---|--|--------------------|---|-------------------------------|----------------------------|---------------------------------------|
| Rock Cottage | Cnr Christiaan de Wet and John Voster Drive Weltevredenpark Randburg | Retail | Gauteng | 63 000 | 64 000 | – | 6 274 | – | – | 2.9 | 118.4 | Business I | Freehold | 15 |
| The Pines | Cnr Rees Road and Jigger Avenue Somerset West | Retail | Western Cape | 64 182 | 71 100 | – | 7 621 | – | – | 0.0 | 102.7 | Business I | Freehold | 2 |
| Tyger Manor | Cnr Durban Road, Willie van Schoor and Bill Bezuidenhout Aves, Belville Cape Town | Retail | Western Cape | 48 833 | 51 400 | – | 3 747 | – | – | 2.0 | 126.0 | Business | Freehold | 25 |
| Valley View Units 1, 4, 5 and 7 | Valleyview Centre Retail Campbell Road Witkoppen, Sandton | Retail | Gauteng | 10 172 | 15 300 | – | 1 991 | – | – | 0.0 | 93.2 | Special – various | Sectional Title | 5 |
| Venter Centre | Cnr Northrand and Rietfontein Road, Boksburg North | Retail | Gauteng | 53 060 | 59 000 | – | 7 470 | – | – | 6.0 | 85.5 | Business 3 | Freehold | 25 |
| Waterford Shopping Centre | Cnr Witkoppen and Douglas Roads, Witkoppen Johannesburg | Retail | Gauteng | 39 270 | 36 000 | – | 6 595 | – | – | 16.2 | 82.6 | Special for shops and offices | Freehold | 20 |
| Willows Shopping Centre | Cnr Simon Vermoten Road and Rossouw Street, Die Wilgers, Pretoria | Retail | Gauteng | 58 739 | 65 000 | – | 9 167 | – | – | 18.3 | 84.6 | Special and Business I | Freehold | 20 |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | independent valuer (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m²) | Undeveloped bulk rate per m² (R) | Vacancy (%) | Weighted average gross rate/ m² (Per val) (R) | Zoning | Freehold/ Leasehold | Approx age of building (years) |
|------------------------------------|---|----------------------|---------------|------------------------------------|-----------------------------------|---|-----------------------------------|---|--|--------------------|---|----------------------------|----------------------------|---------------------------------------|
| Wilrogate Shopping Centre | Cnr Ondekkers and C.R Swart Road, Wilropark Rodepoort | Retail | Gauteng | 58 975 | 72 000 | 72 000 | – | 10 254 | – | 3.3 | 84.2 | Business 1 and Residential | Freehold | 20 |
| Wilropark Shopping Centre | Cnr Taalbos and Mimosa Street Wilropark | Retail | Gauteng | 9 000 | 12 000 | 12 000 | – | 2 332 | – | 4.7 | 74.6 | Business 3 | Freehold | 40 |
| Total Neighbourhood Centres | | | | 917 247 | 1 037 100 | 1 037 100 | – | 121 872 | – | 12.6 | | | | |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m ²) | Undeveloped bulk rate per m ² (R) | Vacancy (%) | Weighted average gross rate/ m ² (Per val) (R) | Zoning | Freehold/ Leasehold | Approx age of building (years) |
|--------------------------|--|---------------|---------|-----------------------------|--|----------------------------|------------------------------------|--|-------------|---|-------------------|---------------------|--------------------------------|
| Specialised | | | | | | | | | | | | | |
| BMW Fourways Building | Cnr Campbell Road and Willow Avenue, Witkoppen Ext 57 Sandton | Retail | Gauteng | 152 300 | 162 800 | 47 723 | 13 098 | 3 500 | 0.0 | 61.4 | Special – various | Freehold | 4 |
| Ford and Mazda Building | Cnr Witkoppen and Nerine Roads, Witkoppen Ext 91 Sandton | Retail | Gauteng | 52 061 | 43 900 | – | 2 469 | – | 0.0 | 167.1 | Special – various | Freehold | 6 |
| Sasol Delta Building | Cnr Fourways Boulevard and Roos Road, Witkoppen Ext 26 Sandton | Retail | Gauteng | 50 109 | 55 600 | – | 1 808 | – | 0.0 | 225.3 | Business 4 | Freehold | 20 |
| Total Specialised | | | | 254 470 | 262 300 | 47 723 | 17 375 | 13 635 | 0.0 | | | | |
| TOTAL RETAIL | | | | 4 729 852 | 5 079 100 | 249 223 | 310 975 | 74 135 | 8.8 | | | | |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000)) | Undeveloped bulk (m ²) | Undeveloped bulk rate per m ² (R) | Vacancy (%) | Weighted average gross rate/ m ² (Per val) | Zoning | Freehold/ Leasehold | Approx age of building (years) |
|-----------------------------|---|---------------|--------------|-----------------------------|--|----------------------------|------------------------------------|--|-------------|---|----------------------------------|---------------------|--------------------------------|
| Office Portfolio | | | | | | | | | | | | | |
| 1 Charles Crescent | 1 Charles Crescent, Eastgate Ext 4 | Offices | Gauteng | 110 809 | 119 400 | – | 13 723 | – | 0.0 | 79.9 | Special – Commercial and offices | Freehold | 40 |
| 9 Charles Crescent | 9 Charles Crescent, Eastgate Ext 4, Sandton | Offices | Gauteng | 17 100 | 34 300 | – | 4 298 | – | 52.4 | 104.1 | Special | Freehold | 40 |
| 99 – 101 Hertzog Boulevard | 99 – 101 Hertzog Boulevard, Cape Town | Offices | Western Cape | 41 701 | 48 800 | – | 3 620 | – | 0.0 | 113.7 | General Business | Freehold | 30 |
| ABSA Brakpan | Cnr Minuach and Patridge Roads Edevale | Offices | Gauteng | 10 291 | 12 000 | – | 2 797 | – | 21.5 | 89.8 | Business 1 | Freehold | 50 |
| Exact Mobile | Cnr Fourways Boulevard and Cedar Avenue Fourways, Sandton | Offices | Gauteng | – | 15 600 | – | 1 106 | – | 100.0 | 90.0 | Business 4 | Freehold | 12 to 15 |
| Flora Office Park | Cnr Conrad Street and Ontdekkers Road, Florida Rodepoort | Offices | Gauteng | 71 374 | 73 000 | – | 14 674 | – | 33.6 | 80.1 | Business 4 | Freehold | 15 |
| Glen Gables | Cnr Lynnwood and Genl Louis Botha Street Lynnwood, Pretoria | Offices | Gauteng | 32 557 | 46 000 | – | 6 471 | – | 25.1 | 93.7 | Special for shops and offices | Freehold | 20 |
| Highway Gardens Office Park | Cnr Minuach and Patridge Roads Edenvale | Offices | Gauteng | 18 774 | 29 000 | – | 5 787 | – | 36.1 | 57.0 | Business 2 | Freehold | 10 to 20 |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk (R'000) GLA (m²)) | Undeveloped bulk (m²) | Undeveloped bulk rate per m² (R) | Vacancy (%) | Weighted average gross rate/ m² (Per val) (R) | Zoning | Freehold/ Leasehold | Approx age of building (years) |
|-------------------------------|---|------------------------|---------------|------------------------------------|---|--|------------------------------|---|--------------------|--|----------------------------------|----------------------------|---------------------------------------|
| Keerom Chambers | 56 Keerom Street Cape Town | Offices | Western Cape | 58 709 | 61 400 | – | 4 507 | – | 3.1 | 117.1 | General Commercial | Freehold | 100 but renovated in 2008 |
| Mill House | 2 Canterbury Street Cape Town | Offices | Western Cape | 22 979 | 24 700 | – | 3 225 | – | 0.0 | 71.1 | General Commercial | Freehold | 100 |
| Mustek (89 Hertzog Boulevard) | 89 Hertzog Boulevard Roggebaai, Cape Town | Offices | Western Cape | 24 616 | 35 800 | – | 4 500 | – | 28.9 | 83.1 | General Business | Freehold | 30 |
| Oceana House | 25 Jan Smuts Avenue, Cape Town | Offices | Western Cape | 112 119 | 112 800 | – | 7 226 | – | 18.3 | 89.5 | General Business | Freehold | 15 |
| PriMovie Park | 185 Katherine Street, Eastgate Ext 4, Sandton | Offices with warehouse | Gauteng | 83 090 | 93 000 | – | 17 363 | – | 7.3 | 38.8 | Special – offices and commercial | Freehold | 40 (Offices) and 5 (Warehouse) |
| Thomas Pattullo | 19 Jan Smuts Street, Cape Town | Offices | Western Cape | 43 882 | 47 600 | – | 4 966 | – | 0.0 | 124.2 | General Business | Freehold | 25 |
| Triangle House | Cnr Urteil and Melick Crescents Somerset West Cape Town | Offices with retail | Western Cape | 29 662 | 31 800 | – | 3 562 | – | 17.3 | 100.0 | Business I | Freehold | 8 |
| TOTAL OFFICE | | | | 677 663 | 785 200 | – | 97 824 | – | 17.6 | | | | |

| Name | Location | Property type | Region | Cost of acquisition (R'000) | Market value as attributed by independent valuer (R'000) | (Undeveloped bulk value) (R'000) | Undeveloped bulk (m ²) | Undeveloped bulk rate per m ² (R) | Vacancy (%) | Weighted average gross rate/m ² (Per val) (R) | Zoning | Freehold/Leasehold | Approx age of building (years) |
|---------------------------------|--|---------------|--------------|-----------------------------|--|----------------------------------|------------------------------------|--|-------------|--|--------------------|--------------------|--------------------------------|
| Industrial Portfolio | | | | | | | | | | | | | |
| 10 Charles Crescent | 10 Charles Crescent, Eastgate Ext4, Sandton | Industrial | Gauteng | 20 845 | 15 600 | – | 3 445 | – | 0.0 | 58.6 | Special | Freehold | 40 |
| Edcon | Cnr Princessvlei and Tecoma Roads, Diep Rivier Cape Town | Industrial | Western Cape | 56 089 | 58 500 | – | 14 775 | – | 0.0 | 37.9 | General industrial | Freehold | 10 |
| Meshcape Edenvale | 37 Main Road Eastleigh, Edenvale | Industrial | Gauteng | 32 555 | 35 000 | – | 13 501 | – | 0.0 | 31.8 | Industrial 3 | Freehold | 50+ |
| TOTAL INDUSTRIAL | | | | 109 488 | 109 100 | – | 31 721 | – | 0.0 | | | | |
| TOTAL PROPERTY PORTFOLIO | | | | 5 517 004 | 5 973 400 | 249 223 | 440 520 | 74 135 | 10.1 | | | | |

Notes:

- Effective date of the acquisition is the transfer date of the Letting Enterprise;
- The cost of acquisition for Fourways Mall Shopping Centre, Cedar Square, Fourways View and Fourways Game has been shown at the mid range;
- The cost of acquisition range for the four properties mentioned above is as follows:
 - Fourways Mall Shopping Centre: R1 935 181 961 – R1 997 979 442
 - Cedar Square: R732 121 655 – R764 500 586
 - Fourways View: R259 024 007 – R296 706 652
 - Fourways Game: R135 958 902 – R154 159 614

MILLS FITCHET INDEPENDENT VALUER'S PROPERTY VALUATION REPORT



Attention: Mr Michael Georgiou
 CEO
 Accelerate Property Fund Limited
 Main Suite
 2nd Floor; Cedar Square Shopping Centre
 Cedar Road
 Fourways

Dear Sir,

20 November 2013

INDEPENDENT VALUER'S REPORT OF THE VARIOUS PROPERTIES HELD BY ACCELERATE PROPERTY FUND LIMITED
I. INTRODUCTION

I, W. J. Hewitt, in my capacity as Professional Valuer, registered without restriction in terms of Section 20(2)(a) of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), do hereby certify that I have valued the properties in order to determine their Market Value using the Discounted Cash Flow Method.

The date of valuation of all the properties is 1 October 2013.

Total Value of the Properties valued: **R4 187 500 000**

Set out below are particulars relating to the properties:

Member:

**W J Hewitt NDPV, CIEA, FIVSA, MRICS,
 Professional Valuer**

Associates:

S A Aldridge NDPV, CIEA, MIVSA
 S B G de Klerk BSc(Bldg), MSc(Bldg), NDPV, MCIOB
 A R Stephenson B Agric Mgt, AFM (UK), LLB (Natal)
 T R L Bate MSc, BSc, Land Econ. (UK), MRICS, MIVSA
 A R Gibbons AEI (Zim), FIVSA
 M R B Gibbons NDPV, MIVSA
 W J Hewitt NDPV, CIEA, FIVSA
 P G Mitchell NDPV, CIEA, MIVSA

Mills Fitchet (TVL) cc

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 Offices in:
 Cape – Gauteng – KwaZulu-Natal

| No. | Description | Name | Address | Date of physical inspection | Effective date of valuation | Market value |
|------------|---|-------------------------------|--|------------------------------------|------------------------------------|---------------------|
| 1. | Consolidated Stand 2209 (formerly Erven 865 and 866) Witkoppen Ext 57, Sandton Gauteng Province | BMW Fourways Building | Corner Willow Avenue and Campbell Roads Witkoppen Sandton | 24 August 2013 | | R162 800 000 |
| 2. | Erven 862, 863 and 864 Witkoppen Ext 58, and Erven 918 and 919 Witkoppen Ext 8 Sandton Gauteng Province | Cedar Square | No. 112 Gousblom Crescent and Cedar Road Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R759 300 000 |
| 3. | Erf 166999 Diep Rivier Cape Town Western Cape Province | Edcon | No. 134 Princess Vlie Road Diep River Cape Town | 10 August 2013 | 1 October 2013 | R58 500 000 |
| 4. | RE of Erf 779 Witkoppen Ext 26, Sandton Gauteng Province | Exact Mobile | Corner Fourways Boulevard and Cedar Avenue Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R15 600 000 |
| 5. | Erf 2043 Witkoppen Ext 91 Sandton, Gauteng Province | Ford and Mazda Building | Witkoppen Road Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R43 900 000 |
| 6. | Erven 1071 and 1072 Witkoppen Ext 12, Sandton Gauteng Province | Fourways Game | Short Street Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R162 700 000 |
| 7. | Erven 1698, 1699, 1700, 1701 1714 and 1715 Witkoppen Ext 14, Sandton Gauteng Province | Fourways Mall Shopping Centre | Comer William Nicol Drive Witkoppen Road, Fourways Boulevard and Cedar Avenue Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R2 094 800 000 |
| 8. | Erven 867 and 868 Witkoppen Ext 27, Sandton, Gauteng Province | Fourways View | Corner William Nicol Drive Witkoppen Road, Fourways Boulevard and Cedar Avenue Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R312 500 000 |
| 9. | Erf 8430 Cape Town Western Cape Province | Keerom Chambers | 56 Keerom Street, corner Bloem Street Cape Town | 10 August 2013 | 1 October 2013 | R61 400 000 |
| 10. | Ptn 75 of the Farm 794 Stellenbosch RD, Cape Town Western Cape Province | Mr Price | Somerset West Cape | 10 August 2013 | 1 October 2013 | R61 300 000 |

| No. | Description | Name | Address | Date of physical inspection | Effective date of valuation | Market value |
|------------|---|--------------------------------|---|------------------------------------|------------------------------------|---------------------|
| 11. | Erf 1008 Witkoppen Ext 26 Sandton, Gauteng Province | Sasol Delta Building | Comer Granite Road, Rietvlei Road and Roos Street Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R55 600 000 |
| 12. | Erven 1611 and 1612 Witkoppen Ext 116, Erven 1362, 1363, 1367, 1368 Witkoppen Ext 91. Erven 1783 and 1784 Witkoppen Ext 117 and Erven 1785, 1786 and 1787 Witkoppen Ext 118, Sandton Gauteng Province | The Buzz Shopping Centre | Witkoppen Road Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R280 900 000 |
| 13. | Ptn 79 of the Farm 794 Stellenbosch RD, Cape Town Western Cape Province | The Pines | corner Rees Road and Jigger Avenue Somerset West | 10 August 2013 | 1 October 2013 | R71 100 000 |
| 14. | Erf 14422 Somerset West Cape Town, Western Cape Province | Triangel House | Comer Urtel Crescent and Melck Crescent Somerset West | 10 August 2013 | 1 October 2013 | R31 800 000 |
| 15. | Units 1, 4, 5 and 7 in the Sectional Title building known as SS Valleyview Centre situated on Erf 1918 Witkoppen Ext 85 Sandton Gauteng Province | Valley View Unit 1, 4, 5 and 7 | Campbell Road Witkoppen Sandton | 24 August 2013 | 1 October 2013 | R15 300 000 |

| No. | Name | Nature of property | Site area (m ²) | Lettable area (m ²) | Existing use | Tenure |
|-----|-----------------------------------|---------------------------------------|-----------------------------|---------------------------------|---|-----------------|
| 1. | BMW Fourways Building | Buildings – Retail | 34 725 | 13 098 | Motor showroom/ Offices/Workshop | Freehold |
| 2. | Cedar Square | Buildings – Retail | 81 084 | 46 025 | Retail/Offices | Freehold |
| 3. | Edcon | Buildings – Offices and Industrial | 21 520 | 14 775 | Offices | Freehold |
| 4. | Exact Mobile | Buildings – Offices | 12 088 | 1 106 | Offices | Freehold |
| 5. | Ford and Mazda Building | Buildings – Retail | 7 336 | 2 469 | Motor showroom/ Offices/Workshop | Freehold |
| 6. | Fourways Game | Buildings – Retail | 19 665 | 8 763 | Retail/Offices | Freehold |
| 7. | Fourways Mall Shopping Center | Buildings – Retail | 152 048 | 61 480 | Retail | Freehold |
| 8. | Fourways View | Buildings – Retail | 18 851 | 12 962 | Retail/Offices | Freehold |
| 9. | Keerom Chambers | Buildings – Offices | 1 495 | 4 507 | Offices | Freehold |
| 10. | Mr Price | Industrial | 22 406 | 8 080 | Offices/Showroom/ Warehouse | Freehold |
| 11. | Sasol Delta Building | Buildings – Retail | 6 562 | 1 808 | Motor showroom/ Work-shop/Filling Station | Freehold |
| 12. | The Buzz Shopping Centre | Buildings – Retail | 108 869 | 14 291 | Retail | Freehold |
| 13. | The Pines | Buildings – Retail | 21 981 | 7 621 | Retail | Freehold |
| 14. | Triangle House | Buildings – Retail and Offices | 8 545 | 3 562 | Retail/Offices | Freehold |
| 15. | Valley View Unit 1, 4, 5 and 7 | Buildings – Offices | 1 991 | 1 991 | Commercial | Sectional Title |

2. BASIS OF VALUATIONS

The valuation is based on the 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;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

In valuing the property, we have used the Discounted Cash Flow Method. The Discounted Cash Flow (DCF) Method takes into account the time value of money between the valuation date and the date when the income stream theoretically reverts to prevailing market levels.

Properties are valued by discounting the expected future net income for a specific period at an appropriate discount rate (or total rate of return) to yield the present value (PV) of the expected net income cash flow. To this figure, an applicable final discounted residual or reversionary value is added.

The net income is determined taking into account the gross income, vacancies and lease obligations from which is deducted all normalised operating expenditure.

3. ASSUMPTIONS

We have valued the properties in accordance with their existing use which represents their Market Value.

Information on the properties regarding rental income, recoveries, turnovers and other income detail have been provided to me by the current owners. I have compared certain expenditures given to me to market norms of similar properties. Historical contractual expenditures and municipal services were compared to the past performance of the properties in order to assess potential expenditure going forward.

3.1 BMW Motor Showroom

We have been informed that the owner will not issue a rental guarantee. We have not considered a vacancy in our DCF for Years 1, 2 and 3 as the **lease also expires on 31 May 2019.**

3.2 Cedar Square Shopping Centre

We have been informed that the owner will issue a rental guarantee for 646 square metres of vacancies, equivalent to R125.00 per square metre (gross), per month, excluding VAT, escalating at 8% per annum compounded, for the first three-year period with the 46 025 square metres of GLA.

The subject property currently has a vacancy of 5.82% (based on GLA), we have utilised 2.5% in year 4 and 5.0% for year 5 and a long-term vacancy of 2.50%.

3.3 Edcon Warehouse, Keerom Street Chambers, Mr Price, The Pines and Triangle House

For the purpose of this valuation, we have not allowed a vacancy during Years 1, 2 and 3.

3.4 Exact Mobile

We have been informed that the owner will issue a rental guarantee.

3.5 Ford and Mazda Building

We have been informed that the owner will not issue a rental guarantee.

As the subject property is currently only leased to one tenant and the lease expires on the 31 July 2018, no vacancy has been considered for years 1 to 6 (inclusive).

3.6 Fourways Game

We have been informed that the owner will not issue a rental guarantee.

3.7 Fourways Mall Shopping Centre

We have been informed that the owner will issue a rental guarantee for 3,024 square metres at R156.20 for the first three-year period and have therefore not considered a vacancy in our DCF for Years 1, 2 and 3.

3.8 Fourways View

We have been informed that the owner will issue a rental guarantee for 575 square metres at R156.20 for the first three-year period and have therefore not considered a vacancy in our DCF for Years 1, 2 and 3.

3.9 Sasol Delta

We have been informed that the owner will not issue a rental guarantee. We have not considered a vacancy in our DCF for Years 1, 2 and 3 as the lease with Sasol only expires on 31 August 2029.

3.10 The Buzz

We have been informed that the owner will issue a rental guarantee for 1,250 square metres at R125.00 for the first three-year period.

We have considered a 2.5% vacancy for Year 4 and a long-term vacancy of 1.5%.

3.11 Valleyview Shopping Centre

We have been informed that the owner will not issue a rental guarantee.

As the subject property has no vacancies and the leases expire in 2014, 2016 and 2017, we have allowed no vacancies in the DCF for Years 1, 2 and 3.

4. SOURCES OF INFORMATION

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

- Property Managers;
- Our physical inspection of the properties, confirming the nature of improvements and the tenancies reflected in the schedules;
- The Georgiou Group;
- Deeds Office, and Surveyor General's Office & Local Authorities for verification of the Title Deeds, Erf diagrams, Municipal Valuations and Town Planning conditions;
- 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.

5. TOWN PLANNING RESTRICTIONS/CONDITIONS AND MATERIAL CONTRAVENTIONS OF STATUTORY REQUIREMENTS

Town planning details and title deed descriptions have been supplied in the detailed valuation reports. There do not appear to be any infringements of local authority regulations or deeds by any of the properties.

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

6. LEASES

Our valuation has been based upon tenancy schedules supplied and the physical inspection of all properties confirming the actual tenancy details supplied to us by the owners.

7. CONCLUSION

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

1. are no options held by any third parties to purchase any of the properties;
2. 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.

The signatory to this document hereby confirms that he has no present or contemplated interest in these or any other properties or any other interests, which would affect the statements or values contained in the valuation reports. The valuations were therefore undertaken on a completely independent basis.

Having inspected the abovementioned properties and after taking due consideration of all relevant factors, I, William John Hewitt, in my capacity as a Professional Valuer, consider the above valuation to be a true and fair assessment of the current Market Value of the properties.

Yours faithfully

W J HEWITT

20 November 2013

Professional Valuer NDPV C.I.E.A. FIVSA, MRICS, Appraiser
Registered in terms of section 20(2)(a) and section 43(8) of the Property Valuers Profession Act, 2000
Registration number 12

MDK CONSULTING INDEPENDENT VALUER'S PROPERTY VALUATION REPORT

MDK CONSULTING CC

Property Consultants & Valuers

Registration number 2004/044624/23

PO Box 534 Fourways North 2086

Tel: 012-6590309

Fax: 086-6441712

Cell: 082-9011934

E-mail: markdk@telkomsa.net

Attention: Mr Michael Georgiou

CEO

Accelerate Property Fund Limited

Main Suite

2nd Floor, Cedar Square Shopping Centre

Cedar Road

Fourways

Dear Sir,

20 November 2013

INDEPENDENT VALUER'S REPORT OF THE VARIOUS PROPERTIES HELD BY ENCHA PRIME INVESTMENTS PROPRIETARY LIMITED**I. INTRODUCTION**

I, M D de Klerk, in my capacity as Professional Valuer, registered without restriction in terms of Section 19 of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), do hereby certify that I have valued the properties in order to determine their market value using either the capitalisation of net income, top slice or bottom slice approach.

The date of valuation of all the properties is 1 October 2013.

Total Value of the Properties valued: **R766 900 000**

Set out below are particulars relating to the properties:

| No. | Description | Name | Address | Date of physical inspection | Effective date of valuation | Market value |
|------------|--|-----------------------|-------------------------------------|------------------------------------|------------------------------------|---------------------|
| 1. | Erf 265 Eastgate Ext. 4 | 1 Charles Crescent | 1 Charles Crescent Eastgate Ext. 4 | 28 August 2013 | 1 October 2013 | R119 400 000 |
| 2. | Erf 79 Eastgate Ext. 4 | 10 Charles Crescent | 10 Charles Crescent Eastgate Ext. 4 | 28 August 2013 | 1 October 2013 | R15 600 000 |
| 3. | Erf 319 Melville | 14 Main Road Melville | 14 Main Road Melville | 28 August 2013 | 1 October 2013 | R8 300 000 |
| 4. | Erven 213 and 960 and RE of Erf 214 Melville | 7 Main Road Melville | 7 Main Road Melville | 28 August 2013 | 1 October 2013 | R15 500 000 |

| No. | Description | Name | Address | Date of physical inspection | Effective date of valuation | Market value |
|------------|--|--------------------------------|---|------------------------------------|------------------------------------|---------------------|
| 5. | Erf 255 Eastgate Ext. 4 | 9 Charles Crescent | 9 Charles Crescent Eastgate Ext. 4 | 28 August 2013 | 1 October 2013 | R34 300 000 |
| 6. | Erven 320, 321 | 9 and 11 Main Road Melville | 9 and 11 Main Road Melville | 28 August 2013 | 1 October 2013 | R31 500 000 |
| 7. | 348 and 349 Melville | | | | | |
| 8. | RE of Erf 172 Randjespark Ext. 28 | Corporate Park Shopping Centre | Corner Nyala Drive and Old Pretoria Main Road Randjespark | 27 August 2013 | 1 October 2013 | R29 500 000 |
| 9. | Erf 714 Highveld Ext. 8 | Highveld Centurion | Corner Bradford and Logan Streets Highveld Centurion | 27 August 2013 | 1 October 2013 | R46 500 000 |
| 10. | Erven 72, 73 and 74 Eastgate Ext. 4 and Ptns 715 and 224 of the Farm Zandfontein 42 IR | PriMovie Park | Charles Crescent Eastgate Ext. 4 | 28 August 2013 | 1 October 2013 | R93 000 000 |
| 11. | Erf 5, Roggebaai, Western Cape | 99 – 101 Hertzog Boulevard | 99 – 101 Hertzog Boulevard | 29 August 2013 | 1 October 2013 | R48 800 000 |
| 12. | Erf 170672 Cape Town | Mill House | 2 Canterbury Street Cape Town | 29 August 2013 | 1 October 2013 | R24 700 000 |
| 13. | Erf 6 Roggebaai Cape Town | Mustek | 89 Hertzog Boulevard Cape Town | 29 August 2013 | 1 October 2013 | R35 800 000 |
| 14. | Erf 230 Roggebaai | Oceana | 25 Jan Smuts Avenue Cape Town | 29 August 2013 | 1 October 2013 | R112 800 000 |
| 15. | Erf 148 Roggebaai | Thomas Pattullo | 19 Jan Smuts Street, Cape Town | 29 August 2013 | 1 October 2013 | R47 600 000 |
| 16. | Erf 34109 Bellville | Tyger Manor | Corner Durban Road, Willie van Schoor and Bill Bezuidenhout Avenue, Bellville | 29 August 2013 | 1 October 2013 | R51 400 000 |
| 17. | Erf 1698, Eshowe | Eshowe Mall | 111 – 113 Osborne Road, Eshowe | 8 September 2013 | 1 October 2013 | R52 200 000 |

| No. | Name | Nature of Property | Site area (m ²) | Lettable area (m ²) | Existing use | Tenure |
|-----|--------------------------------|------------------------------------|-----------------------------|---------------------------------|---------------------------------|----------|
| 1. | 1 Charles Crescent | Buildings – Offices | 21 409m ² | 13 723m ² | Offices | Freehold |
| 2. | 10 Charles Crescent | Buildings – Industrial | 4 050m ² | 3 445m ² | Warehouse | Freehold |
| 3. | 14 Main Road Melville | Buildings – Retail and Residential | 616m ² | 1 138m ² | Retail, Residential and Offices | Freehold |
| 4. | 7 Main Road Melville | Buildings – Offices and Retail | 1 856m ² | 1 973m ² | Offices and Retail | Freehold |
| 5. | 9 Charles Crescent | Buildings – Offices | 8 006m ² | 4 298m ² | Offices | Freehold |
| 6. | 9 and 11 Main Road Melville | Buildings – Retail and Offices | 2 798m ² | 3 213m ² | Retail and Offices | Freehold |
| 8. | Corporate Park Shopping Centre | Buildings – Retail | 8 641m ² | 5 200m ² | Retail | Freehold |
| 9. | Highveld Centurion | Buildings – Retail with Offices | 12 192m ² | 4 777m ² | Retail and Offices | Freehold |
| 10. | PriMovie Park with offices | Buildings – Industrial Offices | 54 479m ² | 17 363m ² | Film studio and Offices | Freehold |
| 11. | 99 – 101 Hertzog Boulevard | Buildings – Offices | 929m ² | 3 620m ² | Offices | Freehold |
| 12. | Mill House | Buildings – Offices | 1 496m ² | 3 225m ² | Offices | Freehold |
| 13. | Mustek | Buildings – Offices | 929m ² | 4 500m ² | Offices | Freehold |
| 14. | Oceana | Buildings – Offices | 2 111m ² | 7 226m ² | Offices | Freehold |
| 15. | Thomas Pattullo | Buildings – Offices | 859m ² | 4 966m ² | Offices | Freehold |
| 16. | Tyger Manor Centre | Buildings – Retail | 12 394m ² | 3 747m ² | Shopping | Freehold |
| 17. | Eshowe Mall | Buildings – Retail | 15 395m ² | 11 735m ² | Shopping | Freehold |

2. BASIS OF VALUATIONS

The valuation is based on the 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;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

In valuing the property, we have used the capitalisation of income approach whereby the estimated net annual income from the property has been capitalised at an investment yield considered suitable for the premises bearing in mind the type of development, its position as well as the age and condition of the buildings.

Where the lease rentals are below market-related rentals, we have applied the Bottom Slice method of valuation.

Where the lease rentals are above market-related rentals, we have carried out a Top Slice Valuation.

3. ASSUMPTIONS

We have valued the properties in accordance with their existing use which represents their market value.

Information on the properties regarding rental income, recoveries, turnovers and other income detail have been provided to me by the current owners and their managing agents. In addition, I have reviewed each of the leases for the single tenanted buildings and the majority of the leases at the retail properties. I have further compared certain expenditures given to me to market norms of similar properties and the historic expenditure levels of the properties themselves. Historical contractual expenditures and municipal services were compared to the past performance of the properties in order to assess potential expenditure going forward.

4. SOURCES OF INFORMATION

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

- Property Managers
- Physical inspection of the properties, confirming boundaries, the nature of improvements and tenancies as reflected in tenancy schedules
- Deeds offices, Surveyor General's Office and Local Authorities for verification of Title Deeds, SG Diagrams, Municipal Valuations and Town Planning conditions
- SAPOA/IPD index for Capitalisation Rates surveys
- The Rode Report for vacancy, comparable market rentals, operating expense, discount rate and capitalisation rate surveys

5. TOWN PLANNING RESTRICTIONS/CONDITIONS AND MATERIAL CONTRAVENTIONS OF STATUTORY REQUIREMENTS

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

The buildings on Erf 79, Eastgate Extension 4 encroach onto Erf 255, Eastgate Extension 4. They are currently registered in different names. Once the properties have been registered in one name we suggest that the two properties be either consolidated or notarially tied.

6. LEASES

Our valuation has been based upon a summary of actual tenants' leases which includes material lease terms such as the lettable areas and rental escalations, as well as option terms and rentals which I have examined and considered for the purpose of the valuations.

7. CONCLUSION

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

1. are no options held by any third parties to purchase any of the properties;
2. 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.

The signatory to this document hereby confirms that he has no present or contemplated interest in these or any other properties or any other interests, which would affect the statements or values contained in the valuation reports. The valuations were therefore undertaken on a completely independent basis.

Having inspected the above-mentioned properties and after taking due consideration of all relevant factors, I, Mark Douglas de Klerk, in my capacity as a Professional Valuer, consider the above valuation to be a true and fair assessment of the current market value of the properties.

Yours faithfully

MDK Consulting CC

M D DE KLERK

Professional Valuer

NAT. DIP. PROP. VAL. M.I.V. (SA), BCOM (UNISA)

Registered in terms of Section 19 of the Property Valuers Profession Act (Act No. 47 of 2000)

20 November 2013

PROMAX INDEPENDENT VALUER'S PROPERTY VALUATION REPORT

Promax
valuation services

REAL ESTATE VALUERS, ECONOMISTS AND CONSULTANTS

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PO Box 1855

Fourways

2055

20 November 2013

The Directors

Accelerate Property Fund Limited

Main Suite

2nd Floor, Cedar Square Shopping Centre

Cedar Road Fourways

Dear Sirs,

INDEPENDENT VALUERS' REPORT OF THE VARIOUS PROPERTIES HELD BY ACCELERATE PROPERTY FUND LIMITED ("ACCELERATE") AND/OR ASSOCIATED COMPANIES

In accordance with your instruction of 13 August 2013, I confirm that I have visited and inspected the properties during August 2013 and have received the necessary details required to perform a valuation in order to provide you with my opinion of the property market values as at 1 October 2013.

1. BASIS OF VALUATION

The valuation is based on the 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;
- that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of the valuation.

2. VALUE CALCULATION

The subject properties are investment properties; properties of this type are typically valued based on a method that converts current and anticipated income to be derived from the property into an estimate of value through discounting, the calculation of the market value of this property portfolio has been based on the income capitalisation method of valuation. In this approach the net income that a property is capable of producing is capitalised by an appropriate rate in order to form an indication of value.

On a case-by-case basis, and where appropriate, we have utilised Rode's Retail Report and/or the South African Property Owner Association's South African Property Reports.

The buildings have been valued in their existing use. No alternative uses for the properties have been considered in determining the valuation.

3. DATE OF VALUATION

The effective date of valuation of all the properties is 1 October 2013.

4. BRIEF DESCRIPTION

The properties appear to have been constructed within accepted building industry norms. The leases tend to be of a general contractual rental nature with provision for the recovery of services consumed by the lessees and turnover rental from various retail outlets, as is appropriate. The lease at the Meshcape Edenvale buildings (Erven 427 to 430 and Erf 552 Eastleigh is a "triple net" lease. Escalations are market related and the properties are generally well located with an acceptable demand for the accommodation if they were to become vacant. In respect of the properties, the current annual rental is considered in conjunction with the market annual rental in each individual property's calculations.

5. VALUATION QUALIFICATIONS

The valuations in respect of the properties are subject to the conditions set out in the caveats and the reports.

6. OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the properties or where there may be a benefit in options held I am unaware of any options in favour of any parties for any purchase of any of the properties.

7. RELATED PARTY LEASES

I am unaware of any related party leases that may have an influence or bearing on the independent valuation provided by us.

8. CURRENT STATE OF DEVELOPMENT

There are no properties which are currently being developed, minor renovations, which are typically ongoing, were in progress in respect of some of the properties.

9. OPTIONS

We have been made aware that there are options to purchase on a first right of refusal type basis inclusive of the following leases: Waterford – the lease in respect of Macdonald's SA Proprietary Limited Ltd provides for a first option to purchase at the same price and on the same terms as any offer to purchase that the Lessor desires to accept; Wilrogate – the lease in respect of Shoprite Checkers provides for a first right of refusal regarding the sale of the premises; Beacon Isle – the lease in respect of Roodt Vleis provides for a first right of refusal regarding the sale of the property; Rock Cottage – the lease in respect of Shoprite Checkers Proprietary Limited provides for a first right of refusal on the same terms and conditions should the Lessor wish to sell to a third party. The options do not affect our existing valuation on the properties.

10. EXTERNAL PROPERTY

None of the properties are situated outside the Republic of South Africa.

11. OTHER GENERAL MATTERS AND VALUATION SUMMARY

An abridged valuation report is available on a property by property basis.

12. ALTERNATIVE USE FOR A PROPERTY

We have valued the properties in accordance with their existing use which represents their market value.

13. OTHER COMMENTS

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

14. CAVEATS

14.1 Source of information and verification

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. In addition, I have reviewed each of the leases for the single tenanted buildings and the majority of the leases at the multi-tenanted properties. I have further compared certain expenditures given to me to market norms of similar properties and the historic expenditure levels of the properties themselves, both of which have been considered in the valuation exercise. Historical contractual expenditures and municipal services were compared to the past performance of the properties in order to assess potential expenditure going forward.

14.2 Full disclosure

This valuation has been prepared on the basis that full disclosure of all information and factors that may affect the valuation have been made to Promax Valuation Services, located at 5 Kingswood Lane Douglasdale. I have to the best of my ability researched the market, as well as taken the steps detailed in paragraph 14.3 below.

14.3 Leases

Our valuation has been based upon a summary of actual tenant' leases which includes material lease terms such as the gross lettable areas and rental escalations and other details in respect of the existing leases and option terms and rentals supplied to us by the various sellers of the individual properties which I have examined and considered for the purpose of the valuation.

14.4 Lessee's credibility

In arriving at our valuation, cognisance has been taken of the lessee's security and rating.

14.5 Mortgage bonds, loans etc.

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

14.6 Calculation of areas

The areas quoted within the valuation reports are those stated in the information furnished by the various owners.

14.7 Structural condition

The properties have been valued in their existing state. 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.

14.8 Contamination

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

14.9 Town Planning

Town planning details have been supplied or obtained where necessary. This is to ensure that they comply with town planning regulations. There do not appear to be any infringements of local authority regulations. The valuations have 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 generally in accordance with the relevant town planning regulations for these properties. Other than the above there is no contravention of any statutory regulation, or town planning local authority regulation relating to any of the properties which infringement could decrease the value of the properties as stated.

14.10 Freehold and Leasehold Title

In the case of both Freehold and Leasehold properties we have inspected the relevant Title Deed documents made available to us. Where, as a result of our inspections, some points have caused us concern as to Title, we have referred specifically to them in the relevant detailed valuation reports. Where title deeds were not available we have assumed that good title can be shown and that the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings.

15. MARKET VALUE

I am of the opinion that the aggregate Market Value of the subject properties as at 1 October 2013 is R1 019 000 000 (One Billion and Nineteen Million Rand). A summary of the individual valuations and details of each of the underlying properties has been attached.

I have 21 years' experience in the valuation of all properties (except farms) and I am qualified to express an opinion on the market value of this portfolio.

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

Yours faithfully,

Kevin K Tucker Promax Valuation Services 5 Kingswood Lane Douglasdale

Professional Valuer M.I.V.S.A. Registered in terms of section 20(2) (a) and section 43(8) of the Property Valuers Profession Act, 2000

| No. | Description value | Name | Address | Market value |
|------------|---|---------------|--|---------------------|
| 1. | Erven 820 to 822 Witkoppen Ext 39 and Portion 383 of the farm Witkoppen 194 IQ | Waterford | Corner Witkoppen and Douglas Drive Witkoppen, Fourways | R36 000 000 |
| 2. | Erf 1544 Eden Glen Ext 55 | EdenTerrace | Corner Terrace Road and van Tonder Avenue Eden Glen | R38 000 000 |
| 3. | Erf 237 Little Falls Ext 1 | Cascade | Corner Cascades and Waterfall Avenues Little Falls | R15 000 000 |
| 4. | Erven 2627 Wilropark Ext 23 and 2628 Wilropark | Wilrogate | Corner Ontdekkers Road and CR Swart Road, Wilropark | R72 000 000 |
| 5. | Erf 332 Remaining Extent Florida North | Beacon Isle | Corner Ontdekkers Road and Beacon Road, Florida North | R20 000 000 |
| 6. | Erf 49 Wilro Park | Wilropark | Corner Taaibos Street and Mimmosa Street, Wilropark | R12 000 000 |
| 7. | Erf 8 Portion 1 and Erf 172 Kyalami Park | Kyalami Downs | Corner Main Road and Kyalami Boulevard Kyalami Park | R132 000 000 |
| 8. | Erf 197 Hughes Ext 12 | Venter Centre | Corner Northrand Road and Rietfontein Road Hughes | R59 000 000 |
| 9. | Erf 4761 Weltevredenpark Ext 82 | Rock Cottage | Corner Christiaan de Wet Road and John Vorster Drive Weltevredenpark | R64 000 000 |
| 10. | Erf 772 Lynnwood Glen Ext 3 | Glen Gables | Corner Lynnwood Road and Louis Botha Drive Lynnwood Glen Ext 3 | R46 000 000 |
| 11. | Erf 198 East Lynne | East Lynne | 43 Bavianspoort Road corner Lanham Street East Lynne | R33 000 000 |
| 12. | Erf 437 Nieuw Muckleneuk | Cherry Lane | Corner Middel and Fehrsen Streets Nieuw Muckleneuk | R102 000 000 |
| 13. | Erf 276 and Erf 1220 Die Wilgers Ext 9 and Holding 257 Willowglen Agricultural Holdings | Willows | Corner Simon Vermooten Street and Rousouw Street Die Wilgers | R65 000 000 |
| 14. | Erf 801 Rietfontein | Rietfontein | Corner Jacobs Street and Frates Road Rietfontein | R28 000 000 |

| No. | Description value | Name | Address | Market value |
|------------|---|-----------------|--|---------------------|
| 15. | Erven 316 and 317 Florida Noord | Flora Park | Corner Jacobs Street and Frates Road Rietfontein | R73 000 000 |
| 16. | Erf 3439 Brakpan | ABSA Brakpan | 610 Voortrekker Road Brakpan | R12 000 000 |
| 17. | Erf 126 Remaining Extent and Erf 126 Portion I Highway Gardens | Highway Gardens | Corner Minuach Street and Partridge Avenue Highway Gardens | R29 000 000 |
| 18. | Erven 427 to 430 and Erf 552, Eastleigh | Meshcape | 37 Main Road Eastleigh | R35 000 000 |
| 19. | Erven 937 and 938 Beverley Ext 67 and Portion 351 Zevenfontein 407 JR | Leaping Frog | Corner William Nicol Drive and Mulbarton Road Beverley | R148 000 000 |

| No. | Name | Site area (m²) | Lettable area (m²) | Existing use | Tenure |
|------------|-----------------|----------------------------------|--------------------------------------|---------------------|---------------|
| 1. | Waterford | 8 172 | 6 595 | Retail | Freehold |
| 2. | EdenTerrace | 12 189 | 4 661 | Retail | Freehold |
| 3. | Cascade | 10 001 | 3 441 | Retail | Freehold |
| 4. | Wilrogate | 26 744 | 10 254 | Retail | Freehold |
| 5. | Beacon Isle | 9 247 | 2 090 | Retail | Freehold |
| 6. | Wilropark | 10 581 | 2 332 | Retail | Freehold |
| 7. | Kyalami Downs | 38 597 | 14 096 | Retail | Freehold |
| 8. | Venter Centre | 23 991 | 7 470 | Retail | Freehold |
| 9. | Rock Cottage | 20 475 | 6 274 | Retail | Freehold |
| 10. | Glen Gables | 19 960 | 6 471 | Retail | Freehold |
| 11. | East Lynne | 18 260 | 7 633 | Retail | Freehold |
| 12. | Cherry Lane | 11 349 | 11 672 | Retail | Freehold |
| 13. | Willows | 26 985 | 9 167 | Retail | Freehold |
| 14. | Rietfontein | 11 744 | 3 780 | Retail | Freehold |
| 15. | Flora Park | 28 719 | 14 674 | Offices | Freehold |
| 16. | ABSA Brakpan | 1 363 | 2 797 | Offices | Freehold |
| 17. | Highway Gardens | 14 212 | 5 787 | Offices | Freehold |
| 18. | Meshcape | 32 375 | 13 501 | Industrial | Freehold |
| 19. | Leaping Frog | 59 957 | 11 139 | Retail | Freehold |

SALIENT FEATURES OF THE SHARE INCENTIVE SCHEME

Share Scheme

The Shareholders of Accelerate approved the Share Incentive Scheme on 18 November 2013, to be administered by the Accelerate Property Fund Limited Share Incentive Scheme Trust constituted between Accelerate and Mr Stamatios Tsangarakis as trustee, in terms of which Accelerate will have the ability to issue Share Options to qualifying participants under the Scheme.

Purpose of the Scheme

The Scheme is intended to promote stable and settled terms and conditions of employment for employees of the Accelerate Group to operate as an incentive to employees to remain with the Group and render services to their respective employers over the long-term. To that end, the Scheme is intended to cater for the award to employees of Share Options which will be released to them over time if they remain in the employ of the Group in order to create or increase such employees' proprietary interests in the Group's long-term success and to align their interests with those of the Shareholders.

Participants of the Scheme

Participants under the Share Incentive Scheme are defined as employees, including executive Directors and alternates to executive Directors but specifically excluding non-executive Directors of the Accelerate Group ("Participants").

All awards under the Share Incentive Scheme must be approved in principle and in advance by Accelerate's Remuneration Committee. Unless the Remuneration Committee considers that special circumstances exist, no awards may be granted to an employee who has given or received notice of termination of employment.

Granting of awards under the Share Incentive Scheme

All awards under the Share Incentive Scheme will be subject to terms set out in an award agreement to be entered into between Accelerate and the Participant. The award agreement will detail the number of Share Options comprised in the award, the option price, the award date and the release date (which must not be more than five years from the award date).

The Share Options will vest equally over a period of 2, 3 and 4 years from the granting of the award.

Each Participant will receive a certificate setting out the terms of the award as soon as practicable after award date.

Subject to certain exceptions, if a Participant ceases to be an employee before the release date, the Participant will forfeit the Share Options in the Participant's award immediately and will have no entitlement under the Share Incentive Scheme.

On release date, the award agreement ceases to have effect and the Share Options comprised in the award cease to be subject to forfeiture and are free of any restrictions under the Scheme.

Timing of grant

The grantor (being the entity that grants the award) may grant awards at any time between the adoption of the Scheme and the 10th anniversary of that date, provided that the granting of awards at that time is not precluded by any restrictions on transactions in securities by the Company or Participants.

Awards must be granted in writing and only in the 60-day period following the release by Accelerate of its interim and final financial results, as the case may be, other than awards made prior to the Listing to the extent applicable.

Acquisition price

The Share Options will be granted at a discount of 10% to the 30-day VWAP prior to the award date of the Share Option.

In respect of the granting of Share Options, the grantor may make such arrangements as it considers appropriate in respect of its obligations to provide Share Options in satisfaction of awards. The Company and any of its subsidiaries which has an employee participating in the Scheme may provide money to the nominee or any trustee or any other person to enable them to acquire Share Options to be held for the purposes of the Scheme, or enter into any guarantee or indemnity for those purposes, to the extent permitted in terms of the Companies Act.

Powers of trustees

The trustees shall have the power to acquire the Shares for the purpose of the Scheme at any time and from time to time whenever they determine that it is expedient for them to do so having regard to the then present and possible future needs of the Scheme and one a Participant has been formally identified, and to make such acquisitions by original subscription or purchase from third parties and/or Participants.

Scheme limits

No awards may be made to the extent that after acceptance thereof the number of Shares held under the Scheme exceeds 50 000 000 (fifty million) of the total number of Shares in issue.

No individual may participate in the Scheme with respect to more than 15 000 000 (fifteen million) Shares unless such limit is varied in accordance with the provisions of the Share Incentive Scheme.

Any Shares purchased through the market by the Participant will not be taken into account when calculating the number of Shares utilised by the Scheme.

Takeover or merger

Unless the Remuneration Committee determines otherwise, in the event of a takeover or merger, the release date is advanced with the result that the award agreement ceases to have effect and the Share Options are free of any restrictions under the Share Incentive Scheme.

The Participant shall be liable for any tax liability arising pursuant to the vesting of the Share Options. If the Participant fails to pay the tax liability to Accelerate within 7 Business Days of the effective date of the takeover or merger, then Accelerate is entitled to sell the Shares or some of the Shares in respect of which the option is exercised to settle the tax liability and on the sale of Shares the number of options held by the Participant shall be reduced accordingly.

Cash alternative

In respect of option holders only, the Remuneration Committee may in its discretion determine that a Participant who exercises an option awarded under the Share Incentive Scheme shall not receive Shares and shall not pay the option price, but shall instead receive the cash amount equal to the amount by which the market value of the Shares exceeds the option price (net of the related tax liability) at the grant date.

DETAILS OF DIRECTORS OF ACCELERATE

| | |
|---|--|
| Full name | Michael Nicholas Georgiou |
| Age | 43 |
| Capacity | Chief Executive Officer |
| Qualifications | – |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Résumé | <p>Mr Michael Georgiou owns one of the largest private property portfolios in South Africa, managing, (together with a highly competent team), over 1 200 tenants and a total gross lettable area of approximately 440 520m². In a property career spanning over 20 years, Michael has successfully acquired and/or developed over a hundred properties including the following prominent properties:</p> <ul style="list-style-type: none"> • Fourways Mall Shopping Centre, Fourways; • Cedar Square, Fourways (Award Nominated); • Loch Logan Waterfront, Bloemfontein (Award Nominated); • Windmill Casino Hotel & Retail Complex; • Fort Drury Complex for the Department of Public Works; • Sediba Building for Department of Public Works; and • College Acre Development for Liberty Life Group and First National Bank. <p>Mr Georgiou has a wealth of property knowledge and is respected as a market leader by his peers within the property industry.</p> <p>Mr Georgiou was appointed to the Board on 1 January 2013.</p> |
| Current directorships and partnerships | <p>First Million Development cc Activated Clays cc Dealcor Thirty Five cc South African Hotels Bloemfontein cc Basfour 3218 cc Above Zero Investments Proprietary Limited Carul Property Holdings Proprietary Limited Nib 57 Share Block Proprietary Limited Basfour 2292 Proprietary Limited Fourways Precinct Proprietary Limited Precinct Public Relations Proprietary Limited Loch Logan Waterfront Proprietary Limited Bold Moves 18 Proprietary Limited Anchor Park Investments 56 Proprietary Limited Camben Bay Investment 106 Proprietary Limited Isocorp Investments Proprietary Limited</p> |

| | |
|-------------------------|--|
| Full name | Andrew Costa |
| Age | 42 |
| Capacity | Chief Operating Officer |
| Qualifications | B.Com, LLB |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Résumé | Mr Andrew Costa obtained his Bachelor of Commerce Degree from the University of Port Elizabeth in 1992 and his LLB degree in 1994. |

Before his appointment to the Board, Mr Costa spent 9 years at the Corporate and Investment Banking division of Standard Bank Group Limited where he was a Director and Head of Debt Capital Markets. He was responsible for raising capital for corporates, municipalities, sovereigns, and supra sovereigns in the local and off-shore markets. Mr Costa has been involved in the issuing of vanilla bonds, high yield bonds, convertible bonds, bank and insurance capital, preference shares and hybrid capital transactions in excess of R100 billion.

Prior to this, Mr Costa was a director in the corporate law department of attorneys Cliffe Dekker Inc. and specialised in mergers and acquisitions, corporate restructurings, and competition law.

Mr Costa was appointed to the Board on 1 April 2013.

| | |
|---------------------------|--|
| Full name | John Ralph Janisch Paterson |
| Age | 39 |
| Capacity | Executive Director |
| Qualifications | BA, LLB, LLM (Tax) |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Résumé | <p>Mr John Paterson is an admitted attorney having served his articles at Webber Wentzel Bowers. Prior to joining the financial services industry, he was an Associate Director at Fitch Ratings and was responsible for rating over R25 billion of debt funding in the South African Capital Markets.</p> <p>Mr Paterson joined Investec Bank Limited in 2005, where he was the Head of Debt Capital Markets and was a member of Investec's Strategic Asset/Liability Committee. Mr Paterson was responsible for raising in excess of R10 billion of debt against Investec's various property portfolios and oversaw a capital markets debt portfolio of approximately R20 billion. He was part of the team that was responsible for a number of securitisation, commercial paper and bond transactions for corporates including listed property counters.</p> <p>Mr Paterson left Investec to establish an independent debt advisory business focusing on, <i>inter alia</i>, funding structures for the commercial property sector. He brings a wealth of banking, rating advisory and capital markets experience to Accelerate.</p> <p>Mr Paterson was appointed to the Board on 1 January 2013.</p> |
| Past directorships | PFV Proprietary Limited Fintech Receivables Proprietary Limited |

| | |
|-------------------------|---|
| Full name | Dimitrios Kyriakides |
| Age | 58 |
| Capacity | Financial Director |
| Qualifications | |
| Business address | Cedar Square Shopping Centre, 1st Floor, corner Willow Avenue and Cedar Road, Fourways |
| Résumé | <p>Mr Dimitri Kyriakides obtained his Bachelor of Commerce Degree at the University of Port Elizabeth in 1977, and his Certificate in the Theory of Accountancy in 1978.</p> <p>Mr Kyriakides qualified as a CA(SA) in 1981 after serving articles with Coopers & Lybrand, now known as PwC.</p> <p>Mr Kyriakides then joined Pick n Pay Retailers as Chief Regional Accountant for the Pretoria Hypermarkets. In 1986, he joined a firm of Chartered Accountants in Pretoria as an audit partner.</p> <p>In 1989, he moved to Johannesburg as an audit partner of Myers Tennier & Co and in 1995 he purchased an interest in a manufacturing concern which he managed, and eventually disposed of in 2006.</p> <p>In 2009, Mr Kyriakides joined the Georgiou Group in order to assist with the management and administration of the Johannesburg based properties. During this time, he gained valuable experience</p> |

and expertise in all facets of the commercial property industry from property administration to maintenance, leasing, selling and buying of properties and property development.

Mr Kyriakides was appointed to the Board on 1 January 2013.

| | |
|------------------------------|--|
| Current directorships | Velocor Proprietary Limited Golden Ribbon Trading 403 Proprietary Limited Golden Ribbon Trading 402 Proprietary Limited Disacode Proprietary Limited Nikiwel Proprietary Limited The Summerplace Trust Nikinet Proprietary Limited |
|------------------------------|--|

| | |
|------------------------------|--|
| Full name | Tito Titus Mboweni |
| Age | 54 |
| Capacity | Non-executive Chairman |
| Qualifications | BA, MA |
| Business address | 107 Seven Oaks, 21 Third Street, Killarney, 2193 |
| Résumé | <p>Mr Tito Mboweni served as the Minister of Labour in the first post-apartheid government led by President Mandela from 1994 until 1998. In this position he was a member of the ANC National Executive Committee (NEC) and convenor of the NEC sub-committee on Economic Transformation (referred to as the Economic Transformation Committee or ETC). The ETC was responsible for developing the economic policy positions of the ANC.</p> <p>Mr Mboweni was Advisor to South African Reserve Bank Governor, Chris Stals, from 1998 to 1999. In August 1999, he was appointed as Governor of the South African Reserve Bank and retired in November 2009.</p> <p>Mr Mboweni is an international advisor to the Goldman Sachs International. He is the Non-Executive Chairman of Nampak Limited, AngloGold Ashanti Limited and SacOil Holdings Limited. He also holds a number of honorary qualifications and academic positions.</p> <p>Mr Mboweni was appointed as Non-Executive Chairman to the Board on 1 June 2013.</p> |
| Current directorships | AngloGold Ashanti Limited Nampak Limited SacOil Holdings Limited |

| | |
|-------------------------|--|
| Full name | Dr Gert Christiaan Cruywagen |
| Age | 58 |
| Capacity | Lead independent non-executive Director |
| Qualifications | MBSc, PMD, PhD, FIRM(SA) |
| Business address | Palazzo Towers East, Montecasino Boulevard, Fourways |
| Résumé | <p>Dr Cruywagen is a member of the King Committee on Corporate Governance and the convenor of its Risk Work Group. He is the director of risk for the Tsogo Sun Group and an independent non-executive director of Denel SOC Limited. He is the Chairman of Denel Aerostructures SOC Limited and Chairman of the City of Johannesburg's Group Risk Governance Committee.</p> <p>Dr Cruywagen holds fellowships, memberships and honorary memberships of a number of local and international risk management Institutes and was voted as South Africa's "Risk Manager of the Year" for 2002 and 2009.</p> <p>Dr Cruywagen will serve on the Audit and Risk Committee and as an experienced member of boards and board committees, adds significant value in terms of corporate governance, risk governance and general business.</p> <p>Dr Cruywagen was appointed to the Board on 1 June 2013.</p> |

Current directorships Denel SOC Limited
Denel Aerostructures SOC Limited
GCM Trust
Tsogo Sun Pension Fund
Tsogo Sun Group Medical Scheme
Cruywagen-Irmsa Risk Foundation (NPC) Limited
Tsogosure Insurance Company Limited
Sappisure Forsäkrings AB
Mechem Proprietary Limited

Past directorships Sappisure Forsäkrings AB
Mechem Proprietary Limited

Full name **John Richard Parker Doidge**

Age 65

Capacity Independent non-executive Director

Qualifications B.Proc

Business address 3rd Floor, 200 on Main, corner Main and Bowwood Roads, Claremont, Cape Town

Résumé Mr John Doidge is an admitted attorney who has specialised in the law and practice of trusts and has 30 years' experience in this field. He is a former General Manager of Syfrets Trust, where he spent 15 years.

Mr Doidge was responsible for establishing Maitland Trust in South Africa in the late nineties and he started what is now GMG Trust Company (SA) Proprietary Limited in 2003.

Mr Doidge has been involved in securitisation in South Africa since 2001 and has extensive experience in a wide variety of structured finance matters and is a former Chairman of the Association of Trust Companies in South Africa and founding member of the South African Securitisation Forum.

Over the last ten years Mr Doidge has served on a number of boards, many of which have listed notes or investment products. The listed notes pertain to securitisation and the listed investments pertain to directorships of Satrix and DB X-Tracker Funds. He is currently the chairman of Alexander Forbes Preference Share Investments Limited, a company listed on the JSE.

Mr Doidge was appointed to the Board on 1 June 2013.

Current directorships Pamodzi Gold West Rand Proprietary Limited
Longland Investments Proprietary Limited
SAPSPV Clayville Property Investments Proprietary Limited
Residual Asset Value Investments Proprietary Limited
SAEARLS Proprietary Limited
Synthesis Funding Limited
SATRIX Managers Proprietary Limited
Micawber 405 (RF) Proprietary Limited
Property Loan Originator Security SPV Proprietary Limited
Alter Ego Investments Proprietary Limited
SB Guarantee Company (RF) Proprietary Limited
DB X-TRACKERS Proprietary Limited
Micawber 409 Proprietary Limited
Navigator Security Company No 1 Proprietary Limited
Living 4 U Developments Proprietary Limited
Imbonini Park Proprietary Limited
Blueprint Originator Proprietary Limited
Hospitality Guarantee SPV Proprietary Limited
Nitro Securitisation 1 (Active) Proprietary Limited
Freestone Finance Company Proprietary Limited
Blue Diamond Investments No 1 Proprietary Limited
Blue Diamond Investments No 2 Proprietary Limited

Blue Diamond Investments No 3 Proprietary Limited
Blue Diamond Investments No 4 Proprietary Limited
Blue Diamond Investments No 5 Proprietary Limited
Blue Waves Properties 2 Proprietary Limited
Nitro Securitisation 2 Proprietary Limited
Royal Albatross Properties 313 Proprietary Limited
Inkotha Investments Proprietary Limited
GMG Trust Company (SA) Proprietary Limited
Collateralised Auto Receivables Securitisation Programme
Proprietary Limited
Micawber 510 Proprietary Limited
Micawber 511 Proprietary Limited
Micawber 522 Proprietary Limited
Micawber 544 (RF) Proprietary Limited
Greenhouse Funding Proprietary Limited
Crimson King Properties 378 Proprietary Limited
Elephant Onthecards Proprietary Limited
GMG Trust Company (SA) Holdings Proprietary Limited
Redhanger Onthecards Proprietary Limited
Commercial Property Plus Proprietary Limited
Eagle Assetco (CP) Proprietary Limited
Blue Diamond Investments NO 6 Proprietary Limited
GMG Corporate Fiduciary Services Proprietary Limited
INCORP Note Issuer Company Proprietary Limited
Madison Park Properties 34 Proprietary Limited
Madison Park Properties 36 Proprietary Limited
Madison Park Properties 33 Proprietary Limited
Madison Park Properties 40 Proprietary Limited
SAPSPV Holdings RSA Proprietary Limited
Redcard Onthecards Proprietary Limited
Kantara Guarantee SPV Proprietary Limited
Imbonini Park Phase 2 Proprietary Limited
Liquidhome Proprietary Limited
Fresco 2 Investments Proprietary Limited
Breeze Court Investments 31 Proprietary Limited
Integer Home Loans Proprietary Limited
Alexander Forbes Preference Share Investments Proprietary Limited
Business Venture Investments No 1172 Proprietary Limited
Business Venture Investments No 1187 Proprietary Limited
ILEX Guarantee SPV Proprietary Limited
Business Venture Investments No 1269 Proprietary Limited
Business Venture Investments No 1262 Proprietary Limited
Business Venture Investments No 1268 Proprietary Limited
Business Venture Investments No 1306 Proprietary Limited
Dopio Finance SI Proprietary Limited
Real People Micro Enterprise Funding Proprietary Limited
GMG Hypoport Proprietary Limited
Superdrive Investments (RF) Proprietary Limited
Ikhaya RMBS 1 Proprietary Limited
Ikhaya RMBS 2 Proprietary Limited
Precinct Funding 1 (RF) Proprietary Limited
Torque Securitisation (RF) Proprietary Limited
Velocity Trade Capital Proprietary Limited
Evolution Cashflow Limited
Inguza Investments Proprietary Limited
RPCS Finance 1 Proprietary Limited
RPCS Finance 3 Proprietary Limited
RPCS Finance 2 Proprietary Limited
RPCS Finance 4 Proprietary Limited
RPCS Finance 5 Proprietary Limited

**Past
directorships**

Sentinel International Trust Company Proprietary Limited
Phaello Finance Company Proprietary Limited
Maitland Group South Africa Proprietary Limited
Maitland Group South Africa Limited
Sentinel International Advisory Services Proprietary Limited
Maitland Advisory Proprietary Limited
Grayston Conduit 1 Security SPV 2 Proprietary Limited
Security SPV 1 Proprietary Limited
Simcocks Trust Proprietary Limited
Blue Titanium Conduit Limited
Maitland Trust (KZN) Proprietary Limited
Private Mortgages 1 (RF) Proprietary Limited
Eagle Newco Number One Proprietary Limited
Private Commercial Mortgages 1 Proprietary Limited
Private Commercial Mortgages 1 Security SPV Proprietary Limited
Fintech Receivables 1 Security SPV Proprietary Limited
Maitland Asset Management Proprietary Limited
Grayston Conduit 1 Security SPV 1 Proprietary Limited
Grayston Conduit 1 Proprietary Limited
Trackhedge Proprietary Limited
Trackhedge Managers Proprietary Limited
MICC Securities Proprietary Limited
Private Mortgages 2 (RF) Proprietary Limited
Private Mortgages 2 Security SPV Proprietary Limited
Vukile Security Company No 1 (RF) Proprietary Limited
Account On Us Proprietary Limited
Blue Diamond Investments No 1 Security SPV Proprietary Limited
Blue Diamond Investments No 3 Security SPV Proprietary Limited
Palaeofin Proprietary Limited
Freestone Finance Company Proprietary Limited
Blue Diamond Investments No 1 Proprietary Limited
Blue Diamond Investments No 2 Proprietary Limited
Blue Diamond Investments No 3 Proprietary Limited
Blue Diamond Investments No 4 Proprietary Limited
Blue Diamond Investments No 5 Proprietary Limited
Palaeofin 1 Security SPV Proprietary Limited
Encha Capital Proprietary Limited
Sentinel Advisory Holdings Proprietary Limited
Blue Diamond Investments No 5 Security SPV Proprietary Limited
Octane ABS 2 Proprietary Limited
Blue Diamond Investments No 6 Security SPV Proprietary Limited
Blue Diamond Investments No 7 Security SPV Proprietary Limited
Phaello Finance Company Guarantor Proprietary Limited
Quince Debt Finance No 1 Proprietary Limited
Siyakha Fund Proprietary Limited
Fintech Receivables 2 Proprietary Limited
Commissioner Street No 1 (RF) Limited
Commissioner Street No 3 (RF) Proprietary Limited
Commissioner Street No 8 Proprietary Limited
RPCS Finance 5 Proprietary Limited
Vita Finance Proprietary Limited
Zasconetix Proprietary Limited
Zasconite Proprietary Limited
Commissioner Street No 4 (RF) Limited
Evolution Cashflows (RF) Limited
Commissioner Street No 6 (RF) Limited
Commissioner Street No 7 (RF) Limited
Private Residential Mortgages (RF) Proprietary Limited

| | |
|------------------------------|--|
| Full name | Timothy John Fearnhead |
| Age | 65 |
| Capacity | Independent non-executive Director |
| Qualifications | CTA, CA(SA), Diploma in Banking Law |
| Business address | 13 Argyle Avenue, Craighall, Johannesburg |
| Résumé | <p>Mr Tim Fearnhead is a Chartered Accountant and was a partner at Deloitte & Touche for 21 years. He joined Nedcor Bank Limited in 1997, where he held a number of senior financial management positions. He completed a Higher Diploma in Banking Law in 2002.</p> <p>Mr Fearnhead retired from Nedbank in 2006 and is currently an independent consultant and financial trainer. He holds a number of non-executive board and committee positions and in addition, is a trustee on numerous trusts. He consults regularly with clients on investment and estate planning.</p> <p>Mr Fearnhead was appointed to the Board on 1 June 2013.</p> |
| Current directorships | <p>The South African Bank of Athens Limited Alexander Forbes Preference Share Investments Limited Fintech Receivables 2 Proprietary Limited FirstRand Insurance Services Company Limited Onthecards Investments II Proprietary Limited Hentiq 3287 Proprietary Limited Newgold Issuer Limited Constantia Insurance Company Limited Constantia Life & Health Assurance Company Limited Constantia Insurance Holdings Proprietary Limited Trackhedge Proprietary Limited Truck & General Insurance Company Limited Constantia Life Limited AGRE Insurance Company Limited Bleau Enterprises Proprietary Limited Campaign Investments Proprietary Limited Vumelana Advisory Fund NPC (RF)</p> |
| Past directorship | <p>New Africa Investments Limited Commissioner Street No 1 Proprietary Limited Commissioner Street No 3(RF) Proprietary Limited Commissioner Street No 4(RF) Proprietary Limited</p> |

| | |
|-------------------------|---|
| Full name | Kolosa Madikizela |
| Age | 33 |
| Capacity | Independent non-executive Director |
| Qualifications | M-Tech Degree – Construction Management |
| Business address | Building 30, Woodlands Office Park, Woodlands Drive, Woodmead |
| Résumé | <p>Ms Kolosa Madikizela is a Construction Manager with a Master of Technology Degree in Construction Management from the Cape Peninsula University of Technology.</p> <p>Ms Madikizela was the General Manager for Engineering, Projects & Proposals at Aveng Water at the Aveng Group. Aveng Water offers comprehensive process technology sourcing, project management, engineering design, as well as procurement and construction management services for multi-disciplinary projects in the Minerals Processing, Industrial, Power & Energy, Water Treatment and aligned Operations sectors.</p> <p>Ms Madikizela worked for blue-chip companies such as Shell Energy SA & Life Healthcare in the Facilities Management, Engineering & Project Management disciplines and was the Chief Executive Officer of Nexus Facilities Management Company with Neotel as their major client line.</p> <p>Ms Madikizela was appointed to the Board on 1 June 2013.</p> |

PRO FORMA STATEMENT OF FINANCIAL POSITION OF ACCELERATE

The *pro forma* statement of financial position has been prepared to illustrate the impact of the Offer and the Acquisitions, on the audited statement of financial position of Accelerate had the Offer and the Acquisitions occurred as at 31 March 2013.

The *pro forma* statement of financial position has been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited historical financial information of Accelerate for the period ended 31 March 2013 as set out in Annexure 10 to this Pre-listing Statement.

One of the conditions precedent for the Listing includes that 90% of the Land must transfer to Accelerate on or before Listing date. As such, Accelerate is confident that 90% of the Property Portfolio to be acquired at R4 965 303 560 will transfer prior to the Listing date to satisfy this requirement. It remains Accelerate's intention to transfer the entire Land prior to the Listing date.

The summarised *pro forma* statement of financial position of Accelerate has been prepared to illustrate the impact of the Offer and Acquisitions, reflecting the impact of the acquisition of:

- 90% of the Land;
- the remaining 10% of the Land; and
- the impact of the Offer and Acquisitions should the entire Property Portfolio transfer (Column 5).

The *pro forma* statement of financial position has been prepared based on the following assumptions:

1. the Land and Letting Enterprises (90% of the Land and 100% of the Letting Enterprises of the Property Portfolio) to be acquired at R4 965 303 560 have transferred before Listing date;
2. the remaining Land and Letting Enterprises (10% of the Land of the Property Portfolio) of R551 700 396 have transferred post the date of Listing;
3. 638 688 811 Shares are listed at R5.00 per Share; which is made up as follows:

| Description | Number of Shares issued | Value of Shares (Rand) |
|---------------------------------------|-------------------------------|------------------------------|
| Existing Shares in issue | 20 | 100 |
| Total Shares issued to Vendors | 229 097 591 | 1 145 487 956 |
| Pre-commitments | 362 001 600 | 1 810 008 000 |
| Balance to be raised from the public* | 47 589 600 | 237 948 000 |
| | 638 688 811 | 3 193 444 056 |

*Of which R300 000 000 is underwritten by Syzigium

4. planned defensive and working capital expenditure of R65 000 000 for certain Letting Enterprises being transferred, will be funded through equity raised during the Listing;
5. the Purchase Consideration of the Property Portfolio acquired will be settled by utilising R2 388 560 000 debt financing and the balance through the issue of Shares of R3 193 443 956; and
6. the minimum subscription amount of R2 047 956 000 has been raised in terms of the Offer.

The *pro forma* statement of financial position set out below is the responsibility of the Directors and has been prepared for illustrative purposes only and because of its nature may not fairly present the financial position of Accelerate after the Offer and the Acquisitions.

The Independent Reporting Accountants' limited assurance report in accordance with the International Standard on Assurance Engagements (ISAE) 3420 on the *pro forma* statement of financial position is set out in Annexure 6 to this Pre-listing Statement.

PRO FORMA STATEMENT OF FINANCIAL POSITION FOR ACCELERATE PROPERTY FUND

| | Notes | Before the Acquisitions and Offer Rand ¹ | Adjustments (90%) ² | Balance after the initial listing compliance ³ | Adjustments for balance of complete listing (10%) ⁴ | After the acquisition and private placement ⁵ |
|--|-------|---|--------------------------------|---|--|--|
| | | Column 1 | Column 2 | Column 3 | Column 4 | Column 5 |
| ASSETS | | | | | | |
| Non-current assets | | - | 5 618 264 081 | 5 618 264 081 | - | 5 618 264 081 |
| Investment properties | 6 | - | 5 517 003 956 | 5 517 003 956 | - | 5 517 003 956 |
| Interest rate swap derivative | | | 101 260 125 | 101 260 125 | - | 101 260 125 |
| Current assets | | - | 65 000 000 | 65 000 000 | - | 65 000 000 |
| Bank balances and cash after dividend distribution | 9 | - | 65 000 000 | 65 000 000 | - | 65 000 000 |
| TOTAL ASSETS | | - | 5 683 264 081 | 5 683 264 081 | - | 5 683 264 081 |
| EQUITY AND LIABILITIES | | | | | | |
| Ordinary Share capital | 10 | 100 | 3 193 443 956 | 3 193 444 056 | - | 3 193 444 056 |
| Retained income | 11 | (11 563) | 101 260 125 | 101 248 562 | - | 101 248 562 |
| Total Shareholders' interest | | (11 463) | 3 294 704 081 | 3 294 692 618 | - | 3 294 692 618 |
| Non-current liabilities – secured debt | 12 | - | 2 388 560 000 | 2 388 560 000 | - | 2 388 560 000 |
| Current Liabilities | | 11 463 | - | 11 463 | - | 11 463 |
| Loans from Shareholders | | 11 263 | - | 11 263 | - | 11 263 |
| Trade and other payables | | 200 | - | 200 | - | 200 |
| Total liabilities – including debt capital | | 11 463 | 2 388 560 000 | 2 388 571 463 | - | 2 388 571 463 |
| TOTAL EQUITY AND LIABILITIES | | - | 5 683 264 081 | 5 683 264 081 | - | 5 683 264 081 |
| Shares in issue | | 20 | 638 688 791 | 638 688 811 | - | 638 688 811 |
| Net asset value per Share* | | | cents 516 | cents 516 | cents - | cents 516 |

*The NAV per Share assuming investment properties were recognised at the independent fair market value of R5 973 400 000 is 587 cents. At a Listing price of R5,00, this would equate to a discount to NAV of 85%.

Notes:

1. The 'Before the Acquisitions and Offer' column was extracted from the audited statement of financial position of the Company as at 31 March 2013.
2. The 'Adjustments (90% of the Land)' column is to take into account the acquisition and transfer of 90% of the Land and 100% of the Letting Enterprises for a total consideration of R5 517 003 956 all acquired as going concern assets. The R5 517 003 956 Purchase Consideration will be settled by R2 388 560 000 of debt and the balance of R3 193 443 956 through equity.
3. The 'Balance after initial listing compliance' column is the sum of column 1 and column 2.
4. The 'Adjustment for balance of complete listing' column is to take into account the acquisition and transfer of the additional 10% of the Land. It is assumed that the 10% of the Land that does not transfer to Accelerate before Listing date is settled by issuing Shares to the Vendors. Those Shares will be issued on Listing (but will remain unlisted in certificated form) and held in escrow until the transfer of the Land to Accelerate. Accordingly total Shares in issue after 90% of the Land transfers to Accelerate will be 638 688 811.
5. The 'After the acquisition and private placement' column is the sum of column 3 and column 4 and represents the Property Portfolio in its entirety. This column reflects the *pro forma* statement of financial position of Accelerate after the issue of the Shares in respect of the Offer; the raising of the required debt funding and the settlement of the Purchase Consideration relating to the Acquisitions partly through an issue of Shares and partly in cash.
6. The Acquisition of the Property Portfolio is accounted for in terms of IFRS 3: Business Combinations. In terms of IFRS 3 the transaction is accounted for by applying the acquisition method at the date which the Company obtained control over the Property Portfolio ("Acquisition Date"). In terms of the acquisition method the cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interests in the property portfolio. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the Acquisition Date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Fair value of the Property portfolio at the acquisition date was determined in terms of IFRS 13: *Fair Value Measurement*, using valuation techniques that reflect the highest and best use if the underlying properties. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The Company used valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The Company therefore requested multiple valuation techniques to be performed in order to develop a range of reasonable values for the fair value of the Property portfolio. As a result the following valuations were obtained during the valuation process:

- (1) A Directors' valuation indicating a fair value range of between R5 441 474 071 – R5 592 533 840; and
- (2) An Independent valuation indicating a fair value of R5 973 400 000.

The difference between the values resulted from adjustments made by Directors due to their perception of market conditions and expected property Yields in the market. The Directors' valuation is regarded as the point within that range of possible values that is most representative of the Property Portfolio fair value in the circumstances and was used in accounting for the Business Combination. As a result the Purchase Consideration price of R5 441 474 071 – R5 592 533 840 was used as the fair value with no resulting goodwill or gain on bargain purchase being recognised by the Company.

The Property Portfolio will subsequently be measured and accounted for at fair value at each reporting date in terms of IAS 40: *Investment Property*.

7. All Letting Enterprises acquired will be done so on a freehold basis, however to the extent 10% of the Land does not transfer to Accelerate prior to Listing, the Letting Enterprises shall nonetheless be delivered to Accelerate on the day prior to Listing.
8. Directly attributable costs including, *inter alia*, conveyancing, consultants, legal and property valuer's fees have not been accounted for and are not capitalised as these costs will be settled by Fourways Precinct and not Accelerate.
9. Cash of R65 000 000 for the entire Property Portfolio has been allocated to the planned defensive capital expenditure and working capital requirements of Accelerate. This will be funded through equity raised during the Listing.
10. Before the Acquisition and Offer, Accelerate's ordinary share capital is R100. A total of 638 688 811 Shares will be in issue after the Acquisition and Offer. Of these shares 528 348 712 Shares relate to the Purchase Consideration of R4 965 303 560 for the acquisition of 90% of the Land and 100% of the Letting Enterprises plus the working capital of R65 000 000. A further 110 340 079 Shares relate to the Purchase Consideration of R551 700 396 for the acquisition of the remaining 10% of the Land. Those 110 340 079 Shares will be issued at the same time as the 528 348 712 Shares, however they will remain unlisted in certificated form and will be held in escrow until that Land transfers to Accelerate. A total of 638 688 791 Shares for a total consideration of R3 193 443 956 will be raised for the Property Portfolio in its entirety.
11. Retained income includes a gain on bargain purchase of R101 260 125 relating to the in-the-money interest rate swap novated to the Company on Listing.
12. Debt of R2 388 560 000 has been raised on the Property Portfolio in its entirety. The debt raised will be used in the partial settlement of the Fourways Precinct and Orthotouch Letting Enterprises and the balance of the Purchase Consideration being settled through the issue of Shares. The weighted average cost of debt is 7.03%, over a weighted average term of 3.6 years, of which 89.9% is hedged. The cost associated with raising the debt will be settled outside of the Company by Fourways Precinct.

Interest on the debt financing has been included in the unaudited forecast statements of comprehensive income at the blended rate of 7.03%. Only interest payments will be made during the forecast period.

13. The above *pro forma* statement of financial position is presented in terms of IFRS.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF ACCELERATE



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2055
South Africa

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF ACCELERATE PROPERTY FUND LIMITED ("THE COMPANY") INCLUDED IN A PRE-LISTING STATEMENT

We have completed our assurance engagement to report on the compilation of the *pro forma* statement of financial position of Accelerate by the Directors. The *pro forma* statement of financial position, as set out in the Pre-listing statement, consists of *Pro forma* Statement of Financial Position and related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to Accelerate (collectively "*Pro forma* Financial Information"). The *Pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Listings Requirements.

The *Pro forma* Financial Information has been compiled by the Directors to illustrate the impact of the Acquisitions and the Offer, described in the Pre-Listing Statement, on the Company's financial position as at 31 March 2013, as if the Acquisitions and the Offer had taken place as at 31 March 2013. As part of this process, information about the Company's financial position has been extracted by the Directors from the Company's financial statements for the period ended 31 March 2013, on which an unqualified auditor's report was issued.

Directors' responsibility for the *Pro Forma* Financial Information

The Directors are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the Pre-listing Statement in Annexure 5.

Reporting accountants' responsibility

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

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

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

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

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

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

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in Annexure 5.

Ernst & Young Inc.

Director: Rosanne de Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo

Johannesburg
20 November 2013

FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF ACCELERATE

In accordance with the Listings Requirements and a condition precedent of this Listing, at a minimum, 90% of the Land must transfer to Accelerate on or before Listing date. As such, Accelerate is confident that 90% of the Land will transfer to Accelerate prior to the Listing date to satisfy this requirement. It remains Accelerate's intention to transfer the entire Land and Letting Enterprises prior to the Listing date.

The forecast statements of comprehensive income of Accelerate for the four months ending 31 March 2014, the rolling twelve months ending 30 November 2014 and the twelve months ending 31 March 2015 are set out below and reflect the profit forecasts for 90% of the Property Portfolio (Build up Part A) and a combined forecast of 100% of the Property Portfolio (Build up part B). It must be noted that regardless of whether the full 100% of the Land transfers to Accelerate prior to Listing, 100% of the Letting Enterprises (and hence the property income and expenses) will still transfer to Accelerate, and therefore the only difference between Build up Part A and B is the amount of equity that is issued to the Vendors in dematerialised form.

The following assumptions have been made in preparation of this forecast:

1. the number of Shares in issue on Listing is 638 688 811, and issued at a price of R5.00;
2. the Minimum Subscription Amount of R2 047 956 000 has been raised in terms of the Offer; and
3. the debt facility will amount to R2 388 560 000 resulting in a gearing ratio of 40% (based on the independent valuation) for the Company.

The unaudited forecast statements of comprehensive income set out below are the responsibility of the Directors and have been prepared using accounting policies that comply with IFRS and that are consistent with those applied in the audited historical financial information of Accelerate for the period ended 31 March 2013 as set out in Annexure 10 to this Pre-listing Statement.

I. BUILD UP PART A – 90% OF THE PROPERTY PORTFOLIO

The unaudited forecast financial information presented in Build up Part A is derived from 90% of the Property Portfolio of the Company as listed under Annexure 5, note 2. The forecasts for the 4 months ending 31 March 2014, the rolling 12-month period ending 30 November 2014 and the year ending 31 March 2015 are set out in the table below and should be read in conjunction with the Independent Reporting Accountants' limited assurance report thereon, which is included in Annexure 8:

FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF ACCELERATE – Build up part A

| | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|---|--|--|---|
| Revenue, excluding straight-line rental revenue adjustment | 218 668 035 | 680 491 002 | 697 847 456 |
| Straight-line rental revenue adjustment | 30 532 106 | 75 601 595 | 60 592 001 |
| Total revenue | 249 200 141 | 756 092 597 | 758 439 456 |
| Property expenses | (68 076 230) | (217 669 315) | (224 490 205) |
| Net rental and related revenue | 181 123 911 | 538 423 283 | 533 949 251 |
| Other operating expenses | (4 941 669) | (15 647 242) | (16 058 359) |
| Property management fee | (2 186 680) | (6 804 910) | (6 978 475) |
| Profit from operations | 173 995 561 | 515 971 130 | 510 912 418 |
| Profit before debt interest and taxation | 173 995 561 | 515 971 130 | 510 912 418 |
| Debt interest | (56 045 570) | (168 136 710) | (168 136 710) |
| Interest income | 1 465 347 | 6 393 487 | 7 493 225 |
| Gain on bargain purchase | 101 260 125 | 101 260 125 | – |
| Profit before income distribution | 220 675 463 | 455 488 032 | 350 268 933 |
| Income distribution to shareholders | 88 883 232 | 278 626 312 | 289 676 932 |
| Profit before tax | 131 792 231 | 176 861 720 | 60 592 001 |
| Taxation | (8 548 990) | (21 168 447) | (16 965 760) |
| Profit after taxation attributable to equity holders | 123 243 241 | 155 693 273 | 43 626 240 |
| Total comprehensive income attributable to equity holders' | 123 243 241 | 155 693 273 | 43 626 240 |
| Number of Shares in issue* | 638 688 811 | 638 688 811 | 638 688 811 |
| Basic and diluted earnings per Share (cents) | 33.21 | 68 | 52.19 |
| Distribution per Share (cents) | 13.92 | 43.62 | 45.35 |
| Less: Shares ceded to Accelerate | 49 844 500 | 49 844 500 | 49 844 500 |
| Number of Shares for distribution | 588 844 311 | 588 844 311 | 588 844 311 |
| Basic and diluted earnings per remaining Share (cents) | 36.02 | 73.76 | 56.60 |
| Distribution per remaining Share (cents) | 15.09 | 47.32 | 49.19 |

*Of the total Shares in issue, 110 340 079 Shares (10%) are assumed to be unlisted and in certificated form.

Operating expenses in Build up Part A includes the full non-executive directors' fees of R240 000 per month and a 1% management fee on all revenue earned.

2. BUILD UP PART B – 100% OF THE PROPERTY PORTFOLIO

The unaudited forecast financial information presented in Build up Part B is derived from the entire Property Portfolio of the Company as listed under Annexure 1 to this Pre-listing Statement. The forecasts for the 4 months ending 31 March 2014, the rolling 12-month period ending 30 November 2014 and the year ending 31 March 2015 and are set out in the table below and should be read in conjunction with the Independent Reporting Accountants' limited assurance report thereon, which is included in Annexure 8 to the Pre-listing Statement:

FORECAST STATEMENTS OF COMPREHENSIVE INCOME OF ACCELERATE – Build up part B

| | Notes | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|---|-------|--|---|--|
| Revenue, excluding straight-line rental revenue adjustment | | 218 668 035 | 680 491 002 | 697 847 456 |
| Straight-line rental revenue adjustment | | 30 532 106 | 75 601 595 | 60 592 001 |
| Total revenue | 2 | 249 200 141 | 756 092 597 | 758 439 456 |
| Property expenses | 3 | (68 076 230) | (217 669 315) | (224 490 205) |
| Net rental and related revenue | | 181 123 911 | 538 423 283 | 533 949 251 |
| Other operating expenses | 4 | (4 941 669) | (15 647 242) | (16 058 359) |
| Property management fee | 4 | (2 186 680) | (6 804 910) | (6 978 475) |
| Profit from operations | | 173 995 561 | 515 971 130 | 510 912 418 |
| Profit before debt interest and taxation | | 173 995 561 | 515 971 130 | 510 912 418 |
| Debt interest | | (56 045 570) | (168 136 710) | (168 136 710) |
| Interest income | | 1 465 347 | 6 393 487 | 7 493 225 |
| Gain on bargain purchase | 8 | 101 260 125 | 101 260 125 | – |
| Profit before income distribution | | 220 675 463 | 455 488 032 | 350 268 933 |
| Income distribution to Shareholders | 5 | 88 883 232 | 278 626 312 | 289 676 932 |
| Profit before tax | | 131 792 231 | 176 861 720 | 60 592 001 |
| Taxation | | (8 548 990) | (21 168 447) | (16 965 760) |
| Profit after taxation attributable to equity holders | | 123 243 241 | 155 693 273 | 43 626 240 |
| Total comprehensive income attributable to equity holders' | | 123 243 241 | 155 693 273 | 43 626 240 |
| Number of Shares in issue | | 638 688 811 | 638 688 811 | 638 688 811 |
| Basic and diluted earnings per Share (cents) | | 33.21 | 68 | 52.19 |
| Distribution per Share (cents) | | 13.92 | 43.62 | 45.35 |
| Less: Shares ceded to Accelerate | 5 | 49 844 500 | 49 844 500 | 49 844 500 |
| Number of Shares for distribution | | 588 844 311 | 588 844 311 | 588 844 311 |
| Basic and diluted earnings per remaining Share (cents) | | 36.02 | 73.76 | 56.60 |
| Distribution per remaining Share (cents) | | 15.09 | 47.32 | 49.19 |

ASSUMPTIONS

The forecast statements of comprehensive income incorporate the following material assumptions in respect of revenue and expenses that can be influenced by the Directors:

1. The forecast information in respect of the Land as well as the Letting Enterprises purchased is based on information derived from the Vendors, the Independent Valuers, the historical financial information in respect of the above, and the Directors' knowledge of and experience in the property industry.
2. The profit forecast model used to forecast the revenue and expenses for the years ending 31 March 2014 and 31 March 2015 forecasts revenue and expenses on a monthly basis. These per month forecasts are then aggregated to obtain the profit forecasts for the years ending 31 March 2014 and 31 March 2015. The forecast for the rolling 12 months ending 30 November 2014 is thus made up of the last 4 months' forecast figures for the year ending 31 March 2014 and the first 8 months of the forecast figures for the year ending 31 March 2015. The rolling 12 month period ending 30 November 2014 is merely included for information purposes to provide the users to this Pre-listing Statement with two 12-month revenue periods to consider.
3. Contracted revenue, which comprises rental income and expense recoveries from existing tenants, is based on existing Lease Agreements for the duration of such Lease Agreements.
4. Potential rental income in respect of current vacant space has not been included as revenue in the profit forecast.
 - Rental guarantees of R10 770 379 per annum (escalating at 8%) from the Vendors in respect of Fourways Mall Shopping Centre, Cedar Square, Fourways View, the Buzz Shopping Centre and the Leaping Frog vacant space of 6 067m², reported under forecast gross rental income, has been included in the forecast financial information.
 - These rental guarantees expire on the later of, either 3 years from date of Listing, or once the Development has been fully completed.
5. Leases expiring during the respective forecast periods have been forecast on a lease-by-lease basis. In circumstances where the tenants occupy the premises on a month-to-month basis, it has been assumed that where such tenants have indicated that they are satisfied with the premises, they will continue to occupy the premises at the same rates and escalations. In circumstances where the existing lease agreements will expire during the periods under review and the current tenants have indicated that they are satisfied with the premises, it has been assumed that such tenants will continue to occupy the premises at the same rates and escalations as per the existing lease agreement, unless they have specifically indicated otherwise. In circumstances where the existing lease agreements will expire during the periods under review and the current tenants have indicated that they are not satisfied with the premises, it has been assumed that replacement tenants will be found to occupy the premises at rates and escalations similar to the existing lease agreement, but an allowance has been made against this rental taking into account average vacancies experienced in that market segment.
6. In arriving at the gross rental income, we have assumed the following in line with market averages calculated:
 - 70% of the expiring leases will be renewed immediately; and
 - for the 30% of expiring leases we have assumed that the lease will be renewed over a four-month period.
7. Uncontracted forecast rental income included in the forecast information amounts to 9% for the period ending 31 March 2014, 19% for the year ended 31 March 2015 and 13% for the rolling 12 months ending 30 November 2014 of the total forecast rental income for the respective forecast periods.
8. Total operating expenditure has been forecast on a consolidated line-by-line basis, based on the historical financial information and supplier service contracts per Letting Enterprise, as well as Vendor budgets and the Directors' knowledge of and experience in the property industry.
9. Forecast recoveries in respect of municipal expenses have been based on the terms of the existing Lease Agreements.
10. Revenue distributions paid to Shareholders will be deductible in full for company taxation purposes as the Company complies with the provisions of, and is registered under the REIT legislation which requires that a minimum of 75% of its Net Income be distributed to its Shareholders. Deferred taxation has been raised in respect of the straight-line rental adjustments at the company taxation rate of 28%. All such income distributions will be included as income in the South African resident Shareholders' tax returns and will thus attract income tax in the South African resident Shareholders' hands. However where the Shareholder is a non-resident investor, the distribution will remain exempt from income tax. As from 1 January 2014, foreign investors will be subject to the dividends withholding tax (subject to any double tax agreement reduction, if applicable).
11. All Listing and associated costs that arise upon Listing shall be paid by Fourways Precinct, in terms of the Sale and Purchase Agreements. Listing and associated costs shall include listing fees payable to the JSE, transfer fees relating to transferring the Land of the Property Portfolio into the name of Accelerate, all listing consultation fees, and all debt-raising costs. Listing costs incurred post the Listing will however be incurred and paid for by the Company.
12. Material items of expenditure include rates and taxes, metered municipal expenses including electricity and water, as well as security and cleaning costs.
13. Metered expenditure consisting of rates and taxes as well as water is forecast to increase by 12 % p.a. This increase is mainly due to the increases in this expenditure being at a higher rate than the increase in South African CPI.
14. These forecast statements of comprehensive income have been compiled utilising the accounting policies of Accelerate as detailed in Annexure 10 to this Pre-listing Statement.
15. In arriving at the straight-lining adjustment on rentals, an average lease period of 3.9 years was calculated and used.

The straight-lining adjustment is calculated as the difference between forecast rental revenue for the 4-month period ending 31 March 2014, rolling 12-month period ending 30 November 2014 and the 12-month period ending 31 March 2015, and the straight-lined rental revenue over the respective periods. The straight-lined rental revenue was calculated as follows:

 - Any leases expiring in the forecast period is assumed to be renewed for a lease period of 3.9 years (the average lease period over the entire portfolio). Escalation rates and dates over this period are assumed to remain in line with historical escalation rates and dates. Any leases expiring after 31 March 2015 have not been renewed under the above assumptions.
16. The interest on debt has been forecast at a blended annual rate of 7.03% on the total debt raised of R2 388 560 000. Only interest payments will be made during the forecast period. For further information please refer to note 6 below.
17. Gain on bargain purchase relates to interest rate swaps which have been novated to Accelerate on Listing date and which are in the money. These swaps will be revalued at the end of the Company's Financial Year to fair market value in line with IFRS 39. The gain on bargain purchase is only recognised in the current Financial Year ending 31 March 2014 and the rolling *pro forma* 12-month period ending 30 November 2014 and does not affect Distributable Income.

Assumptions that are NOT under the control of the Directors:

- No unforeseen market and economic factors that will affect the tenant's ability to meet their commitments in terms of existing Lease Agreements have been included.
- The Offer has been taken up in full.
- There will be no fair value adjustment.
- The South African prime overdraft rate will be 8.5% for the entire period under review.
- The forecast statements of comprehensive income have been prepared using the accounting policies of Accelerate.

Disclosure notes (Build up part B):

| | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|--|--|--|---|
| 2. Revenue | | | |
| Property rental income | 165 113 176 | 509 297 257 | 521 389 126 |
| Rental guarantees | 3 408 348 | 10 770 379 | 11 043 047 |
| Recoveries | 50 146 511 | 160 423 366 | 165 415 283 |
| Revenue, excluding straight-line rental revenue adjustment | 218 668 035 | 680 491 002 | 697 847 456 |
| Straight-line rental revenue adjustment | 30 532 106 | 75 601 595 | 60 592 001 |
| Total revenue | 249 200 141 | 756 092 597 | 758 439 456 |

Total revenue consists of 8% uncontracted revenue for the financial year ending 31 March 2014, 19% for the financial year ending 31 March 2015 and 13% for the rolling 12 months ending 30 November 2013.

| | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|--------------------------------|--|--|---|
| 3. Property expenses | Notes | | |
| Electricity | 1 | 18 249 349 | 59 675 372 |
| Rates | 2 | 22 032 084 | 74 027 801 |
| Repairs and maintenance | 2 | 6 494 493 | 21 236 993 |
| Security | 2 | 7 064 113 | 23 099 650 |
| Other property expenses | 3 | 14 236 190 | 46 450 389 |
| Total property expenses | | 68 076 230 | 224 490 205 |

Notes:

1. This was increased at an 8% annualised rate, as per the latest price increase from Eskom.
2. These have escalated at an annualised rate of 9% as this is the average annualised percentage increase calculated per historical information and what management consider being reasonable.
3. Other property expenses include all other expenses including, *inter alia*, cleaning, security, insurance, municipal charges, etc.

| | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|--|--|--|---|
| 4. Other operating expenses | | | |
| Property management fee | 2 186 680 | 6 804 910 | 6 978 475 |
| Non-executive Directors' fees | 960 000 | 3 033 600 | 3 110 400 |
| Asset management expenses* | 3 981 669 | 12 613 642 | 12 947 959 |
| Total Other Operating Expenses | 7 128 350 | 22 452 152 | 23 036 833 |
| <i>*Included in asset management expenses are executive Directors' fees of</i> | <i>2 403 336</i> | <i>7 594 542</i> | <i>7 786 809</i> |

| | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|---|--|--|---|
| 5. Distribution per Share | | | |
| Net property income after other operating expenses | 119 415 338 | 354 227 908 | 350 268 933 |
| Less: Straight-line rental revenue adjustment | (30 532 106) | (75 601 595) | (60 592 001) |
| Taxation (excluding capital gains taxation and deferred taxation) | – | – | – |
| Distributable earnings | 88 883 232 | 278 626 312 | 289 676 932 |
| Distribution comprises: | | | |
| Income distribution | 88 883 232 | 278 626 312 | 289 676 932 |
| Other | – | – | – |
| Total distribution | 88 883 232 | 278 626 312 | 289 676 932 |
| Number of Shares | 638 688 811 | 638 688 811 | 638 688 811 |
| Distribution for the year (cents) | 13.92 | 43.62 | 45.35 |
| Less: Ceded Shares | 49 844 500 | 49 844 500 | 49 844 500 |
| Number of shares participating in distribution | 588 844 311 | 588 844 311 | 588 844 311 |
| Distribution for the year (cents) | 15.09 | 47.32 | 49.19 |

The Vendors will cede the distribution relating to the 49 844 500 Shares held by themselves to Accelerate in terms of the Foregoing of Distributions on the Bulk Agreement. This is due to Accelerate acquiring the bulk development rights over various buildings in the great Fourways area (excluding the Development), the value of these rights approximates R249 222 500 in total.

Key to Accelerate's interim and long-term growth strategy is the development of the greater Fourways area. In accordance with this strategy it is Accelerate's intention to develop this bulk in the near to interim future.

Accelerate considers it a strategic advantage to acquire the bulk on Listing at the current price, which can then be developed in a manner best deemed for the Company by the Board in the near to interim future. However, as the bulk will generate no income until such development, Accelerate does not consider it reasonable to the other Shareholders from a distribution perspective for the Vendor to share in the distributions, attached to the equity issued to settle the purchase price of this bulk. As such, no distribution will be paid until the later of three years have passed or the bulk is developed and is income producing.

The result of the above is that the distribution is based on distributable earnings divided by 588 844 311 Shares (issued Shares of 638 688 811 Shares less the 49 844 500 ceded Shares).

Conditional deferred payment

Assuming all the Vacant Premises are let and Accelerate settles the Maximum Conditional Deferred Payment of R209 783 554 by issuing Shares to the Vendors, the additional Net Income that would be received by the Company from letting the Vacant Premises is estimated at R22 676 468. Assuming the Shares are issued at R5.00, an additional 41 956 711 Shares will be in issue. The revised distribution per Share is as follows:

| | | | |
|--|--------------|--------------|--------------|
| Shares issued to settle the Maximum Conditional Deferred Payment | 41 956 711 | 41 956 711 | 41 956 711 |
| Total number of Shares participating in distribution | 630 801 022 | 630 801 022 | 630 801 022 |
| Distribution for the year (cents) | 17.69 | 47.77 | 49.52 |

| 6. Debt interest Tranche | | Weighting | Debt amount | Term (years) | Rate | Interest (annual) | Interest (monthly) |
|--------------------------|------------------------|-------------|----------------------|--------------|-------|--------------------|--------------------|
| RMB | A – Variable (Current) | 15% | 179 142 000 | 1 | 6.58% | 11 787 544 | 982 295 |
| | B – Hedged | 10% | 119 428 000 | 2 | 6.88% | 8 216 646 | 684 721 |
| | C – Hedged | 10% | 119 428 000 | 3 | 7.00% | 8 359 960 | 696 663 |
| | D – Hedged | 30% | 358 284 000 | 4 | 7.20% | 25 796 448 | 2 149 704 |
| | E – Hedged | 35% | 417 998 000 | 5 | 7.30% | 30 513 854 | 2 542 821 |
| Investec | A – Variable (Current) | 15% | 179 142 000 | 1 | 6.71% | 12 020 428 | 1 001 702 |
| | B – Hedged | 10% | 119 428 000 | 2 | 6.93% | 8 276 360 | 689 697 |
| | C – Hedged | 10% | 119 428 000 | 3 | 7.01% | 8 371 903 | 697 659 |
| | D – Hedged | 30% | 358 284 000 | 4 | 7.01% | 25 115 708 | 2 092 976 |
| | E – Hedged | 35% | 417 998 000 | 5 | 7.10% | 29 677 858 | 2 473 155 |
| Total | | 100% | 2 388 560 000 | | | 168 136 710 | 14 011 392 |

The weighted average interest of the above debt is 7.03%; only interest is repayable during the forecast period.

| 7. Taxation | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling pro forma forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|---|---|--|--|
| South African current taxation | | | |
| Deferred tax on straight-line rental revenue adjustment | 8 548 990 | 21 168 447 | 16 965 760 |
| Total taxation | 8 548 990 | 21 168 447 | 16 965 760 |

| 8. Earnings per Share | Forecast for the 4 months ending 31 March 2014 (revenue from 1 December 2013) | Rolling <i>pro forma</i> forecast 12 month period ending 30 November 2014 | Forecast for the year ending 31 March 2015 |
|--|--|--|---|
| Reconciliation of basic earnings to headline earnings | | | |
| Total comprehensive income attributable to equity holders | 212 126 473 | 434 319 586 | 333 303 173 |
| Less: Gain on bargain purchase* | (101 260 125) | (101 260 125) | – |
| Headline earnings attributable to Shareholders | 110 866 349 | 333 059 461 | 333 303 173 |
| Basic earnings per share (cents) | 36.02 | 73.76 | 56.60 |
| Diluted earnings per Share (cents) | 36.02 | 73.76 | 56.60 |
| Headline earnings per Share (cents) | 18.83 | 39.37 | 56.60 |
| Shares in issue at end of year | 638 688 811 | 638 688 811 | 638 688 811 |
| Shares in issue at end of year participating in distribution | 588 844 311 | 588 844 311 | 588 844 311 |
| Weighted average number of Shares in issue | 638 688 811 | 638 688 811 | 638 688 811 |

*Gain on bargain purchase relates to interest rate swaps which have been novated to Accelerate on Listing date and which are in the money. These swaps will be revalued at the end of the Company's Financial Year to fair market value in line with IFRS 39. The gain on bargain purchase is only recognised in the current Financial Year ending 31 March 2014 and the rolling pro forma 12 month period ending 30 November 2014.

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE UNAUDITED FORECAST OF COMPREHENSIVE INCOME OF ACCELERATE



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INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE FORECAST INFORMATION OF ACCELERATE PROPERTY FUND LIMITED ("THE COMPANY")

We have examined the accompanying forecasts statement of comprehensive income for: (a) the 4 months ending 31 March 2014 (commencing on 1 December 2013) and 12 months ending 31 March 2015 and (b) the 12-month period commencing on 1 December 2013 and ending on 30 November 2014 (collectively, "forecast information"). We have also examined the forecast vacancy profile by sector by gross lettable area ("forecast vacancy profile") set out in the Pre-listing statement.

Directors' responsibility

The Directors of the Company are solely responsible for the forecast information, including the assumptions set out in Annexure 7, 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 forecasts;
- Whether the forecasts have 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 in question.

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 Pre-listing Statement to shareholders. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3400, applicable to the *Examination of Prospective Financial Information*. This standard requires us to obtain sufficient appropriate evidence as to whether or not:

- Management's best-estimate assumptions on which the forecasts are 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 in question for the period concerned.

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.

Summary of work performed

Sources of information used in arriving at our conclusion are as follows:

- Management prepared forecasts for the 4 months ending 31 March 2014 (commencing on 1 December 2013), and for the 12 months ending 31 March 2015 as well as the rolling 12-month period commencing on 1 December 2013 and ending on 30 November 2014;
- Discussions with the Directors of the Company regarding the forecasts presented;
- Discussions with the Directors of the Company regarding the prevailing market and economic conditions;
- Lease agreements for a sample of the properties;
- Discussions with the individual property managers regarding the material expenditure items; and
- Valuation reports, prepared by the Independent Valuers appointed by the Company in respect of the properties.

We have performed the following procedures:

Rental income

A sample selection was made from the forecast contracted rental income streams per the profit forecast for the property portfolio and agreed to the underlying lease agreements. The total sample was greater than 70% of contracted revenue for the four months ending 31 March 2014 (commencing on 1 December 2013) and year ending 31 March 2015.

The forecast rental income was determined with reference to existing rental agreements on a property by property basis.

Analytical procedures were performed to assess the reasonableness of management's assumptions over both the period of vacancy between tenants and the escalation rate applied.

The straight-lining adjustment required by IFRS, of rental income generated by operating leases, was recalculated and agreed to the forecast model.

Turnover rentals were discussed with the property managers and analytical procedure were performed to assess the reasonableness thereof.

Property expenses

Forecast property expenses were compared to unaudited prior period expenses and were discussed with the property managers. We obtained the independent valuers valuation reports for the portfolio of properties and inspected the information with respect to the property expenses that is contained in these reports.

Forecast recoveries as contained in the profit forecast model were selected for the property portfolio and agreed to the underlying lease agreements where applicable and discussed with the property managers. Recoveries were compared against the correlating expense forecast and explanations were obtained for any significant variances.

Portfolio expenses

The forecast transaction costs, finance raising, interest payable, company costs, asset management fees and other portfolio expenses paid by Fourways Precinct Proprietary Limited and was thus excluded from the profit forecast.

Material expenditure items

Examined the detailed forecast expenditure to ensure that all material expenditure items, as required by paragraph 13.14(f) of the JSE Listings Requirements, were disclosed.

Application of accounting policies

We inspected whether the accounting policies as set out in the annexures to the Pre-listing Statement to be applied by the Company in the future were applied consistently in arriving at forecast income and expenses.

Model review

We inspected the consistency and reviewed the mathematical accuracy of the model.

Vacancy profile and lease expiry profile

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

For a sample of the properties, we agreed the dates of expiry of the selected individual leases reflected in the individual property worksheets to the signed lease agreements.

Conclusion

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

- The assumptions, barring unforeseen circumstances, do not provide a reasonable basis for the preparation of the forecast;
- The forecast has not been properly compiled on the basis stated;
- The forecast has not been properly presented and all material assumptions are not adequately disclosed; and
- The forecast is not presented on a basis consistent with the accounting policies of the Company in question.

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

Ernst & Young Inc.

Director: Rosanne de Lange

Reporting Accountant Specialist

Registered Auditor

Chartered Accountant (SA)

Wanderers Office Park

52 Corlett Drive, Illovo

Johannesburg

20 November 2013

INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE EXISTENCE AND RECOGNITION AND MEASUREMENT OF THE PROPERTIES ACQUIRED BY ACCELERATE



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INDEPENDENT REPORTING ACCOUNTANTS' LIMITED ASSURANCE REPORT ON THE EXISTENCE AND RECOGNITION AND MEASUREMENT OF THE PROPERTIES AND LIABILITIES TO BE ACQUIRED BY ACCELERATE AT A VALUE DETERMINED IN ACCORDANCE WITH THE COMPANY'S ACCOUNTING POLICIES AND THE RECOGNITION AND MEASUREMENT CRITERIA OF IFRS AS REFLECTED IN THE "ADJUSTMENTS" COLUMN AND THE "AFTER THE ACQUISITIONS AND PRIVATE PLACEMENT" COLUMN OF THE UNAUDITED *PRO FORMA* STATEMENT OF FINANCIAL POSITION OF THE COMPANY

We have performed our limited assurance engagement for purposes of paragraph 13.16(e) of the Listings Requirements with regard to the existence and recognition and measurement of the properties and liabilities to be acquired by the Company at a value determined in accordance with the Company's accounting policies and the recognition and measurement criteria of IFRS, issued in connection with the Acquisitions and Offer that are the subject to this Pre-listing Statement as reflected in the "Adjustments" column and the "After the Acquisitions and Private Placement" column of the unaudited *pro forma* statement of financial position of the Company assuming that the properties will transfer on or before the Listing date as set out in Annexure 1 to the Pre-listing Statement.

This report and the conclusion contained herewith is provided solely for the benefit of the board of directors for the purposes of their consideration of the proposed formation of a listed property fund (the "Transaction"). This report is not addressed to and may not be relied upon by any other third party for any purpose whatsoever.

Directors' responsibilities

The Directors are solely responsible for the compilation, contents and presentation of the unaudited *pro forma* statement of financial position contained in the Pre-listing Statement and for the financial information from which it has been prepared, including the financial information relating to the properties to be acquired.

Their responsibility includes determining that; the properties to be acquired by the Company exist, have been valued in accordance with the Company's accounting policies and the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") and are correctly reflected in the "Adjustments" column and the "After the Acquisitions and Private Placement" column of the unaudited *pro forma* statement of financial position of the Company in terms of the Listings Requirements.

Reporting accountants' responsibility

Our responsibility is to express our limited assurance conclusion regarding the existence and recognition and measurement of the properties and liabilities to be acquired by the Company at a value determined in accordance with the Company's accounting policies and the recognition and measurement criteria of IFRS, as reflected in the "Adjustments" column and the "After the Acquisitions and Private Placement" column of the unaudited *pro forma* statement of financial position of

the Company, included in the Pre-listing Statement assuming that the properties will transfer on or before the Listing date as set out in Annexure 5 to the Pre-listing Statement.

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements applicable to Assurance Engagements other than Audits or Reviews of Historical Financial Information – ISAE 3000 and paragraph 13.16(e) of the Listings Requirements. This standard requires us to comply with ethical requirements and to obtain sufficient appropriate evidence on which to base our conclusion. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited *pro forma* statement of financial position, beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Summary of work performed

Our procedures included making such inquiries and obtaining such written representations from the Directors and the Independent Valuers as we considered necessary, and specifically we:

- obtained written representation from the Directors that they have physically inspected all 51 properties, to confirm their existence;
- examined the title deeds for the properties to be acquired;
- compared the cost/value at which the properties are being acquired reflected in the “Adjustments” column and in the “After the Acquisitions and Private Placement” column of the unaudited *pro forma* statement of financial position of the Company to the Independent Valuers’ valuations included in the Pre-listing Statement;
- compared the cost/value at which the properties are being acquired reflected in the “Adjustments” column and in the “After the Acquisitions and Private Placement” column of the unaudited *pro forma* statement of financial position of the Company to the underlying Sale and Purchase Agreements;
- enquired of the Directors as to the existence of any liabilities, unrecorded liabilities or contingencies;
- obtained written representation from the Directors that all the properties will be acquired free from any liabilities and/or encumbrances;
- made enquiries regarding the following matters pertaining to the work of the Independent Valuers in accordance with the guidelines in ISAE 3000 pertaining to the work of each of the three experts:
 - the professional competence of the Independent Valuers, in particular, membership of an appropriate professional body and experience and reputation in the field;
 - the independence of the Independent Valuers, including confirmation from each Independent Valuer that there were no actual or apparent conflicts of interest that might impair, or be perceived to impair, his or her objectivity;
 - that the scope of the Independent Valuers’ work was not limited in any way;
 - the assumptions and methods used;
 - the Independent Valuers’ physical inspection of the properties being acquired;
- inspected Company’s accounting policies with respect to Investment Properties and liabilities and considered whether these were in compliance with the recognition and measurement criteria of IFRS;
- considered whether the Company’s accounting policies with respect to Investment Property were applied to the properties to be acquired as reflected in the “Adjustments” column and in the “After the Acquisitions and Private Placement” column of the unaudited *pro forma* statement of financial position; and
- for debt raised we agreed the numbers included in the adjustment column of unaudited statement of financial position with loan agreements in place.

In arriving at our conclusion, we have relied upon financial information prepared by the Directors and other information from various public, financial and industry sources. While our work performed has involved an analysis of the information provided to us, our limited assurance engagement does not constitute an audit or review of any of the underlying financial information conducted in accordance with International Standards on Auditing or International Standards on Review Engagements and accordingly, we do not express an audit or review opinion.

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 that our evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our examination of the evidence obtained and pursuant to Section 13.16(e) of the Listings Requirements, nothing has come to our attention, which causes us to believe that:

- the properties to be acquired by the Company and debt to be raised, as reflected in the “Adjustments” column and in the “After the Acquisitions and Private Placement” column of the unaudited *pro forma* statement of financial position of the Company set out in Annexure 5 of the Pre-listing Statement does not exist;
- the value at which the acquisition of the properties to be acquired by the Company and debt to be raised, as reflected in the “Adjustments” column and in the “After the Acquisitions and Private Placement” column of the unaudited *pro forma* statement of financial position of the Company as set out in Annexure 5 of the Pre-listing Statement, are not in all material respects, in accordance with the accounting policies of the Company and the recognition and measurement criteria of IFRS.

The valuation of the property assets does not necessarily reflect the actual value the assets would achieve in a future transaction or the actual cash flows that will arise in future. The actual cash flows that will arise in future may differ from the anticipated cash flows used for valuation purposes since anticipated events may not occur as expected and the variation may be material. Accordingly no assurance is expressed regarding the achievability of the fair value in a future transaction.

Ernst & Young Inc.

Director: Rosanne de Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo

Johannesburg
20 November 2013

HISTORICAL FINANCIAL INFORMATION OF ACCELERATE

1. BASIS OF PREPARATION

The historical financial information of Accelerate has been prepared in accordance with IFRS and its interpretations adopted by the International Accounting Standards Board ("IASB") and more specifically in accordance with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by Financial Reporting Standards Council.

The financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments, which have been prepared on the fair value basis. The financial statements have been presented in Rand.

2. DIRECTORS' COMMENTARY

The Directors are responsible for the compilation, contents and preparation of the historic financial information and for the financial information from which it has been prepared.

Nature of operations

The Company is engaged in the business of investing in direct real estate, for purposes of income generation and capital growth and will be classified as a REIT upon Listing.

Significant judgements and sources of estimation uncertainty

In preparing the financial statements, management has been required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial information.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

| | 31 March 2013 | 31 March 2012 |
|-------------------------------------|------------------|------------------|
| ASSETS | | |
| Total assets | - | - |
| EQUITY AND LIABILITIES | | |
| Equity | | |
| Share capital | 100 | 100 |
| Accumulated loss | (11 563) | (8 594) |
| | (11 463) | (8 494) |
| Liabilities | | |
| Current liabilities | | |
| Loans from shareholders | 11 263 | 8 066 |
| Trade and other payables | 200 | 428 |
| | 11 463 | 8 494 |
| Total equity and liabilities | - | - |

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2013

| | 13 months ended 31 March 2013 | 12 months ended 28 February 2012 |
|--|--|---|
| Operating expenses | | |
| Accounting fees | (2 948) | (628) |
| Operating loss | (2 948) | (628) |
| Finance costs | (21) | (19) |
| Loss for the 13 months | (2 969) | (647) |
| Statement of comprehensive income | | |
| Loss for the 13 months | (2 969) | (647) |
| Other comprehensive income | – | – |
| Total comprehensive loss | (2 969) | (647) |

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

| | Share capital | Accumulated loss | Total equity |
|---|--------------------------|-----------------------------|-------------------------|
| Balance at 01 March 2011 | 100 | (7 947) | (7 847) |
| Loss for the year | – | (647) | (647) |
| Other comprehensive income | – | – | – |
| Total comprehensive loss for the year | – | (647) | (647) |
| Balance at 1 March 2012 | 100 | (8 594) | (8 494) |
| Loss for the 13 months | – | (2 969) | (2 969) |
| Other comprehensive income | – | – | – |
| Total comprehensive loss for the 13 months | – | (2 969) | (2 969) |
| Balance at 31 March 2013 | 100 | (11 563) | (11 463) |

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

| | 13 months ended 31 March 2013 | 12 months ended 28 February 2012 |
|---|--|---|
| Cash flows from operating activities | | |
| Cash used in operations | (3 176) | (550) |
| Finance costs | (21) | (19) |
| Net cash from operating activities | (3 197) | (569) |
| Cash flows from financing activities | | |
| Proceeds from shareholders loan | 3 197 | 569 |
| Net cash from financing activities | 3 197 | 569 |

3. ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL INFORMATION

Impairments of loans and receivables

The Company assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the Company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available for sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The Company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

Taxation

Current tax

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities/(assets) for the current and prior periods are measured at the amount expected to be paid to/(recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, goodwill that arises on initial recognition in a business combination, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. The deferred tax relating to the amortisation of the intangible asset is initially recognised in profit or loss and is subsequently transferred to a non-distributable reserve in the statement of changes in equity. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously. A deferred tax asset is recognised only to the extent that it is probably that future taxable profits will be available against which the asset can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is not longer probable that the related tax benefit will be realised.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income; or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

Business combinations

The Company accounts for business combinations by applying the acquisition method as at the acquisition date and measures goodwill as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Company to the previous owners of the acquiree, and equity interests issued by the Company.

Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationships between the Company and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value of the off-market element is deducted from the consideration transferred and recognised in other expenses.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Company measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Company incurs in connection with a business combination, such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

In terms of paragraphs 3 and B5 to B12 of IFRS 3 – Business Combinations, all 51 Letting Enterprises acquired for the Listing constitute a business as defined due to:

- the Company is not just acquiring the building but also acquiring the current leases and the service provider contract in place, etc;
- The property managers before and after the Acquisitions are effectively the same.

The elements of what constitutes a business in terms of IFRS 3 are also present:

- Input (the Letting Enterprises, current leases and property management function, etc);
- Process (the property management process and the letting of space);
- Output (rentals generated and expenses incurred).

As the Company is acquiring all of the above and not adding its inputs and process to a sole standing building, the Acquisitions constitute a business.

Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the Company, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost and transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured at fair value. A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

There are no property interests held under operating leases which are recognised as investment property.

Financial instruments

Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Loans and receivables;
- Financial liabilities at fair value through profit or loss; and
- Financial liabilities measured at amortised cost.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Initial recognition and measurement

Financial instruments are recognised initially when the Company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

At each reporting date the Company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the Company, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator of impairment. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity as a reclassification adjustment to other comprehensive income and recognised in profit or loss.

Impairment losses are recognised in profit or loss.

Loans to/from related parties

These include loans to and from companies with common shareholders and are recognised initially at fair value plus direct transaction costs.

Loans to related parties are classified as loans and receivables.

Loans from related parties are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days' overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Share capital

Ordinary shares are classified as equity.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly-liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially recorded at fair value and subsequently recorded at amortised cost.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Company's accounting policy for borrowing costs.

Leases

Leases are classified as finance leases if the lessor transfers substantially all the risks and rewards incidental to ownership. Leases are classified as operating leases, where substantially all the risks and rewards associated with ownership of the asset are not transferred from the lessor to the lessee.

The Company as lessor – operating leases

Operating lease income is recognised as an income on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Company as lessee – finance leases

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease, or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit-sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Revenue

Rental income

Revenue from the letting of investment property comprises gross rental income and recoveries of fixed operating costs. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Recoveries of costs from lessees, where the Group merely acts as an agent and makes payment of these costs on behalf of lessees, are offset against the relevant costs.

Investment income

Interest from listed property investments is recognised using the effective interest method. Dividends from listed property investments are recognised on the date the Group's right to receive payment is established. Interest earned on cash invested with financial institutions is recognised on an accrual basis using the effective interest method.

Share-based payments

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is recognised, together with a corresponding increase in other capital reserves (share-based payment reserve) in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the options that will ultimately vest. The profit or loss expense represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market condition. These are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance service conditions are satisfied.

When the terms of the equity-settled award are modified, the minimum expense recognised is the expense had the terms not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increase the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of the modification.

When the equity award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Company or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF ACCELERATE FOR THE PERIOD ENDED 31 MARCH 2013



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The Directors

Accelerate Property Fund Limited
Cedar Square Shopping Centre
1st Floor, corner Willow Avenue and Cedar Road
Fourways
2055
South Africa

20 November 2013

INDEPENDENT AUDITORS' REPORT TO THE DIRECTORS OF ACCELERATE PROPERTY FUND LIMITED

We have audited the financial statements of Accelerate Property Fund Limited, which comprise the statement of financial position as at 31 March 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the 13 months then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Accelerate Property Fund Limited at 31 March 2013, its financial performance and cash flows for the 13 month period then ended in accordance with the International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Ernst & Young Inc.

Director: Rosanne de Lange
Reporting Accountant Specialist
Registered Auditor
Chartered Accountant (SA)

Wanderers Office Park
52 Corlett Drive, Illovo

Johannesburg
20 November 2013

MATERIAL CONTRACTS

1. ORTHOTOUCH SALE AGREEMENTS

- 1.1 In respect of certain Orthotouch Letting Enterprises, Accelerate has entered into the Orthotouch Sale Agreements with Orthotouch, and the Registered Owners of the Orthotouch Land, on which the Orthotouch Letting Enterprises are conducted. In respect of these agreements the Registered Owners have agreed to transfer the Orthotouch Land to Accelerate simultaneously with the delivery by Orthotouch of the Orthotouch Letting Enterprise conducted on such Orthotouch Land to Accelerate. In respect of other Orthotouch Letting Enterprises, Accelerate has entered into the Orthotouch Sale Agreement with Accelerate only. On the Property Portfolio Transfer Date, all risk and benefit in and to the Orthotouch Land and the Orthotouch Letting Enterprises will pass to Accelerate, subject to the provisions of paragraph 1.6.
- 1.2 Orthotouch has sold the Orthotouch Letting Enterprises to Accelerate for the Orthotouch Purchase Prices. The Orthotouch Purchase Prices will be paid by Accelerate to Orthotouch partly in cash and partly in Shares. The portion of the Orthotouch Purchase Price to be paid in cash will equal the amount required to cancel the existing mortgage bonds registered against the title deeds to the Orthotouch Land plus interest to the date of payment. The Share portion of the Orthotouch Purchase Prices will be an amount equal to each Orthotouch Purchase Price less the amount of the Orthotouch Purchase Price paid in cash. The Orthotouch Purchase Prices will be paid in full on the Property Portfolio Transfer Date, subject to the provisions of paragraph 1.6. In respect of those Orthotouch Letting Enterprises where there are no existing mortgage bonds, the Orthotouch Purchase Price will be settled solely in Shares.
- 1.3 The Orthotouch Transfer will take place on the Property Portfolio Transfer Date.
- 1.4 Warranties commonly provided for in a transaction of this nature have been provided by Orthotouch in respect of the Orthotouch Letting Enterprises and the Registered Owners in respect of the Orthotouch Land to Accelerate.
- 1.5 The Orthotouch Sale Agreements have been concluded on the basis that the Orthotouch Letting Enterprises are sold as going concerns and are zero-rated in terms of section 11(1)(e) of the VAT Act.
- 1.6 If the Orthotouch Transfer has not taken place on the Property Portfolio Transfer Date, then delivery of the Orthotouch Letting Enterprises shall nonetheless take place on the Property Portfolio Transfer Date, save that delivery of one component of the Orthotouch Letting Enterprises, namely the Orthotouch Land, will take place on the date of the Orthotouch Transfer. In such event:
- 1.6.1 Accelerate will procure that the Shares forming part of the Share portion of the Orthotouch Purchase Price are issued in the name of Orthotouch in unlisted "certificated form", or its renounee. Orthotouch has renounced the Shares to the Michael Family Trust. Accelerate will deliver the Shares to Ironwood Trustees to hold the unlisted Shares in escrow pending the Orthotouch Transfer. On the date of the Orthotouch Transfer, Ironwood Trustees will release the Shares to the Michael Family Trust.

2. GEORGIU SALE AGREEMENTS

- 2.1 The Georgiou Letting Enterprises have been sold by the George Nicolas Trust to Accelerate in terms of the Georgiou Sale Agreements. The land on which the Georgiou Letting Enterprises are conducted are not owned by the George Nicolas Trust but by the Schaeffer Technologies Trust or the Kia Joy Trust, which are associated entities of George Nicolas Trust.
- 2.2 The Registered Owners, namely the Schaeffer Technologies Trust and the Kia Joy Trust of the Georgiou Land, are also parties to the Georgiou Sale Agreements and have agreed to pass transfer of the Georgiou Land to Accelerate simultaneously with the delivery of the Georgiou Letting Enterprises by George Nicolas Trust to Accelerate. On the Property Portfolio Transfer Date, all risk and benefit in and to the Georgiou Land and the Georgiou Letting Enterprises shall pass to Accelerate, subject to the provisions of paragraph 2.7.
- 2.3 George Nicolas Trust has sold the Georgiou Letting Enterprises for the Georgiou Purchase Prices. The Georgiou Purchase Prices are to be paid by Accelerate to George Nicolas Trust in cash. The amount required to cancel the existing mortgage bonds registered against the title deeds to the Georgiou Land plus interest to the date of payment shall be paid to the holders of the existing mortgage bonds registered against the title deeds to the Georgiou Land plus interest to the date of payment and the balance of the Georgiou Purchase Price will be paid

to George Nicolas Trust. The Georgiou Purchase Prices will be paid in full on the Property Portfolio Transfer Date, subject to the provisions of paragraph 2.7.

- 2.4 The Georgiou Transfer will take place by no later than the Property Portfolio Transfer Date.
- 2.5 Warranties commonly provided for in a transaction of this nature have been provided by George Nicolas Trust to Accelerate in respect of the Georgiou Letting Enterprises and the Registered Owners in respect of the Georgiou Land to Accelerate.
- 2.6 The Georgiou Sale Agreements have been concluded on the basis that the Georgiou Letting Enterprises are sold as going concerns and are zero-rated in terms of section 11(1)(e) of the VAT Act.
- 2.7 If the Georgiou Land component of the Georgiou Letting Enterprise is not registered into the name of Accelerate by close of business on the Property Portfolio Transfer Date, then notwithstanding that fact, the delivery to Accelerate of the Georgiou Letting Enterprise as a going concern shall nonetheless take place on the Property Portfolio Transfer Date.

3. **FOURWAYS SALE AGREEMENTS**

- 3.1 Fourways Precinct owns the Fourways Land on which the Fourways Letting Enterprises are conducted.
- 3.2 Fourways Precinct has entered into the Fourways Sale Agreement in terms of which Fourways Precinct has sold the Fourways Letting Enterprises and Fourways Land (including bulk related to Cedar Square, The Buzz and the BMW Fourways Dealership of R249 222 500) to Accelerate for the Fourways Purchase Price. On the Property Portfolio Transfer Date, all risk and benefit in and to the Fourways Land and the Fourways Letting Enterprises shall pass to Accelerate.
- 3.3 The Fourways Purchase Price is to be paid in Shares and will be paid in full on the Property Portfolio Transfer Date.
- 3.4 The Fourways Transfer will take place on the Property Portfolio Transfer Date.
- 3.5 Warranties commonly provided for in a transaction of this nature have been provided by Fourways Precinct to Accelerate.
- 3.6 The Fourways Sale Agreements have been concluded on the basis that the Fourways Letting Enterprises are sold as going concerns and are zero-rated in terms of section 11(1)(e) of the VAT Act.

4. **FOURWAYS DEVELOPMENT LAND**

4.1 **Fourways Development Sale Agreement**

- 4.1.1 Fourways Precinct is the registered owner of the Fourways Development Land on which the letting enterprises known as "Fourways Mall Shopping Centre", "Fourways Game", "Fourways View", "Exact Mobile" and "Sasol Delta Building" are conducted.
- 4.1.2 Fourways Precinct has entered into the Fourways Development Sale Agreement with Accelerate in terms of which it has sold to Accelerate the Fourways Development Letting Enterprises. On the Property Portfolio Transfer Date, all risk and benefit in and to the Fourways Development Land and the Fourways Development Letting Enterprises shall pass to Accelerate.
- 4.1.3 The Fourways Development Letting Enterprise Purchase Price is payable by Accelerate to Fourways Precinct on the Property Portfolio Transfer Date. The Fourways Development Letting Enterprise Purchase Price is payable partly:
 - 4.1.3.1 in Shares;
 - 4.1.3.2 by the substitution of Accelerate as the debtor under the Substituted Liabilities, which Substituted Liabilities will be settled in full on the day prior to the date of Listing;
 - 4.1.3.3 by the novation of the Swaps and the Swap Options to Accelerate;
 - 4.1.3.4 by the reduction of the Fixed Rates in respect of the Swaps, on the day prior to the date of Listing; and
 - 4.1.3.5 by the closing out of the Swap Options, on the Property Portfolio Transfer Date.
- 4.1.4 The sale of the Fourways Development Letting Enterprise to Accelerate excludes the Unutilised Bulk. Fourways Precinct intends to use the Unutilised Bulk to develop the Development. Fourways Precinct has retained the Development Rights to further develop the Unutilised Bulk. These Development Rights are set out in the Development Management Agreement and the Praedial Servitude which is to be registered against the title deeds of the Fourways Development Land in favour of Accelerate. The

Development Management Agreement and the Praedial Servitude sets out the manner in which the Development is to take place.

- 4.1.5 Fourways Precinct guarantees that the Net Income in respect of the Fourways Development Letting Enterprises shall not be less than the Fourways Development Guaranteed Income. If the income actually received by Accelerate during the Fourways Development Guarantee Period is less than the Fourways Development Guaranteed Income, then Fourways Precinct is liable to pay to Accelerate the shortfall between the Fourways Development Guaranteed Income and the actual income received by Accelerate. As security for the payment of the Fourways Development Guaranteed Income, Fourways Precinct pledge Shares having a value of not less than R14 million as at the date of Listing and to be held in trust account and makes payment of the sum of R18 million to the Attorneys who are authorised to invest such sum in section 78(2A) of the Attorneys Act investment account and to pay the aforementioned shortfall to Accelerate if not paid by Fourways Precinct.

If at any time, payment under the Fourways Development Guarantee is made by realizing the pledge Shares, then Fourways Precinct shall immediately cede and pledge that number of additional Shares necessary to reinstate the number of pledged Shares to a number of Shares not having a value of less than R14 million.

If Accelerate exercises its rights to realise its security held under the Fourways Development Guarantee, then Fourways Precinct shall immediately make payment to the Attorneys of the amount necessary to reinstate the Guarantee Amount to the sum of R18 million.

- 4.1.6 The Fourways Development Land Transfer will take place on the Property Portfolio Transfer Date.
- 4.1.7 Warranties commonly provided for in a transaction of this nature have been provided by Fourways Precinct to Accelerate.
- 4.1.8 The Fourways Development Sale Agreement is based on a share for asset transaction as contemplated in section 42(1) of the Income Tax Act and the sale of the Fourways Development Letting Enterprises is regulated by section 8(25) of the VAT Act, such that the seller and the purchaser under the Fourways Development Sale Agreement are regarded as one and the same person and that the transaction is not subject to VAT and nor is transfer duty payable.
- 4.1.9 The Fourways Development Sale Agreement provides that on Completion Date, the Fourways Development Letting Enterprises and the letting enterprise created by virtue of and as a consequence of the Development, will be combined. A comparison will be made between (the greater of the Fourways Development Guaranteed Income and the 12-month forward Net Income payable to Accelerate in respect of the Fourways Development Letting Enterprises which it purchased pursuant to the Fourways Development Sale Agreement) and the 12-month forward sustainable contracted Net Income payable to Fourways Precinct from the letting enterprise created by virtue of and as a consequence of the Development. The purpose of the comparison is to calculate the quantum of the undivided share in the Fourways Development Land and the Fourways Development Letting Enterprise which is to be transferred to Fourways Precinct on completion of the Development and the quantum of the undivided share in the letting enterprise created by the Development which is to be transferred to Accelerate. It is contemplated that Fourways Precinct will hold an undivided 61.54% share in the aforementioned combined letting enterprises and Accelerate will hold an undivided 38.46% share in the aforementioned combined letting enterprises. The intent is thereafter that Fourways Precinct and Accelerate hold the aforementioned combined letting enterprises in equal shares. In order to do so, each of Accelerate and Fourways Precinct have an option to acquire further undivided shares in the aforementioned combined letting enterprises to bring its holding in the aforementioned combined letting enterprises up to 50% for a purchase price calculated at a capitalisation rate of 7%.
- 4.1.10 If Fourways Precinct is unable to complete the Development, then Accelerate is entitled with the consent of the financiers of the Development to procure the completion of the Development. Accelerate's undivided share in the aforementioned combined letting enterprises will be adjusted upwards on the contribution which Accelerate makes to the completion of the Development.
- 4.1.11 In relation to the Development, Fourways Precinct will use its reasonable endeavours to commence as soon as possible after Listing Date but by no later than 12 months.

4.2 Co-ownership Agreement

- 4.2.1 Fourways Precinct and Accelerate have entered into the Co-ownership Agreement, which will govern Fourways Precinct and Accelerate's relationships as co-owners of the Fourways Development Land and the Fourways Development Letting Enterprises, once Fourways Precinct becomes a co-owner of the Fourways Development Land and the Fourways Development Letting Enterprise pursuant to the completion of

the Development and the combination of the Fourways Development Letting Enterprises and the letting enterprise conducted by Fourways Precinct in the buildings constructed pursuant to the Development.

- 4.2.2 Fourways Precinct has agreed at its own cost, risk and benefit, to design, fund, commence and complete the Development.
- 4.2.3 There are pre-emptive rights in favour of each of Fourways Precinct and Accelerate such that neither of them may sell its undivided share in the Fourways Development Land and the Fourways Development Letting Enterprises without first having offered to sell such undivided share to the other party.
- 4.2.4 Fourways Precinct is restricted from acquiring land or letting enterprises or developing any developments on land adjoining or contiguous or within a five kilometre radius of the Fourways Development Land unless it complies with certain provisions protecting Accelerate's rights.
- 4.2.5 Fourways Precinct is appointed to manage the Fourways Development Letting Enterprises which is terminable by either party in accordance with the provisions of the Fourways Property Management Agreement.

4.3 **Development Management Agreement**

- 4.3.1 Fourways Precinct is the development manager of the Development under the Development Management Agreement.
- 4.3.2 Fourways Precinct will fund the Development and will manage the Development from inception until completion at its own risk and benefit.
- 4.3.3 Fourways Precinct will use its reasonable endeavours to commence as soon as possible after Listing Date but by no later than 12 months.
- 4.3.4 Fourways Precinct will use its reasonable endeavours to bring the building works of the Development to a stage of practical completion by no later than 36 months after the Access Date, plus an extension contemplated in the Development Management Agreement, failing which Fourways Precinct will be liable to make penalty payments to Accelerate as compensation, equal to R1 000 000 per month for the first year from the expected Completion Date, R1 500 000 per month for the second year from the expected Completion Date, and R2 000 000 per month for the third year from the expected Completion Date.
- 4.3.5 The site plans for the Development have been approved by Accelerate copies of which are available for inspection in terms of paragraph 32 of the Pre-listing Statement as an appendix to the Development Management Agreement. Any material deviations from the approved site plans that may have a negative impact on the combined Fourways Mall letting enterprise (retail development and the existing Fourways Mall Shopping Centre) when compared to a comparable A grade Regional Shopping Centres in South Africa will require Accelerate's approval.
- 4.3.6 Fourways Precinct will commence the refurbishment of Fourways Mall Shopping Centre within 90 days from Listing and complete the refurbishment within 12 months of Listing.

4.4 **Assumption Agreement**

- 4.4.1 Fourways Precinct, Accelerate, Nedbank and RMB have entered into the Assumption Agreement in terms of which the Substituted Liabilities are assumed by Accelerate.
- 4.4.2 Fourways Precinct will cede and delegate to Accelerate its rights to and obligations under the Substituted Liabilities. Immediately upon the cession and delegation, Accelerate will settle the Substituted Liabilities by paying to RMB and Nedbank such settlement amounts as notified by Nedbank and RMB to Accelerate (the "Settlement Amounts").
- 4.4.3 RMB and Nedbank agreed to the cession and delegation of the Substituted Liabilities. RMB and Nedbank agreed that Accelerate and/or Fourways Precinct and all other parties listed in the Assumption Agreement, will be released from any liabilities, duties and obligations, under and in respect of the Cross-Collateral Support Agreements and the security structure arising therefrom shall be undone insofar as such liabilities, duties and obligations relate to the Substituted Liabilities, the Swaps and/or the Swap Options.
- 4.4.4 The cession and delegation of the Substituted Liabilities will take place by no later than the Property Portfolio Transfer Date.
- 4.4.5 Warranties commonly provided for in a transaction of this nature have been provided by Fourways Precinct, Accelerate, Nedbank and RMB to each another.
- 4.4.6 The effect of the Assumption Agreement is therefore that on the Assumption Agreement having been implemented in full:

- 4.4.6.1 there shall be no further facilities provided to Fourways Precinct and/or Accelerate in respect of the Substituted Liabilities; and
- 4.4.6.2 Accelerate and/or Fourways Precinct shall be released from any liabilities, duties and obligations, under and in respect of the Cross-Collateral Support Agreements.

4.5 **Novation agreement**

- 4.5.1 Fourways Precinct, RMB and Accelerate have entered into the Novation Agreement resulting in the:
 - 4.5.1.1 closing out of the Swap Options;
 - 4.5.1.2 amendment of the Fixed Rates and the Floating Rates; and
 - 4.5.1.3 subsequent transfer by novation from Fourways Precinct to Accelerate of all the rights, liabilities, duties and obligations of Fourways Precinct under and in respect of the Swaps.
- 4.5.2 Accelerate will pay, on behalf of Fourways Precinct, to RMB the amounts as set out in the Novation Agreement, required to amend the Fixed Rates and the Floating Rates and to close out the Swap Options.
- 4.5.3 The closing-out of the Swap Options, the amendment of the Fixed Rates and the Floating Rates, and the novation of the Swaps will take place by no later than the Property Portfolio Transfer Date.
- 4.5.4 Warranties commonly provided for in a transaction of this nature have been provided.
- 4.5.5 The effect of the Novation Agreement is therefore that on the Novation Agreement having been implemented in full:
 - 4.5.5.1 Fourways Precinct and/or Accelerate shall have no further liabilities in respect of the Swap Options; and
 - 4.5.5.2 Accelerate shall be the only party with any liability in respect of the Swaps which will have an amended Fixed Rate and Floating rate.

4.6 **Fourways Framework Agreement**

- 4.6.1 Fourways Precinct and Accelerate have entered into the Fourways Framework Agreement, which makes additional arrangements for the payment of the Fourways Development Letting Enterprise Purchase Price.
- 4.6.2 If the Settlement Amounts and the Novation Amounts exceed the Fourways Development Letting Enterprise Purchase Price resulting in a shortfall, then the shortfall will be offset against the first proceeds of the Fourways Purchase Price, which will have the effect of reducing the number of Shares which will be allotted and issued by Accelerate to Fourways Precinct in consideration for the Fourways Purchase Price.

5. **TRANSFERS**

The parties to the Sale and Purchase Agreements, shall procure that transfer of the Land is effected as soon as possible:

- 5.1 after:
 - 5.1.1 the purchase price concerned has been paid;
 - 5.1.2 payment by the sellers of the costs of transfer; and
 - 5.1.3 Glyn Marais is in receipt of written notification from the JSE advising that there are no impediments to the Shares being listed on the main board of the JSE on the day following the Property Portfolio Transfer Date;
- 5.2 simultaneously with the registration in the Deeds Office of:
 - 5.2.1 the cancellation of the existing mortgage bonds registered against the title deeds of the Land;
 - 5.2.2 a first mortgage bond passed by Accelerate in favour of the mortgagee concerned;
 - 5.2.3 the transfer into the name of Accelerate of at least 90% (ninety per cent) in value of the Land, inclusive of the Fourways Development Land, the Fourways Land the Orthotouch Land and the Georgiou Land; and
 - 5.2.4 the Praedial Servitude in respect of the Fourways Development Land.

6. VACANCY GUARANTEE AGREEMENT

- 6.1 As at the Property Portfolio Transfer Date and in terms of the Vacancy Guarantee Agreement:
- 6.1.1 Fourways Precinct has undertaken to pay the Fourways Vacancy Guaranteed Income to Accelerate for the Vacancy Guarantee Period. Fourways Precinct's liability to pay the Fourways Guaranteed Income cannot exceed R2 976 568 per annum escalating at a rate of 8% per annum commencing on 1 April 2014;
- 6.1.2 Fourways Precinct has undertaken to pay the Fourways Development Vacancy Guaranteed Income to Accelerate for the Vacancy Guarantee Period. Fourways Precinct's liability to pay the Fourways Development Vacancy Guaranteed Income cannot exceed R7 060 564 per annum escalating at a rate of 8% per annum commencing on 1 April 2014;
- 6.1.3 Fourways Precinct has undertaken to pay the Orthotouch Letting Enterprises Vacancy Guaranteed Income to Accelerate for the Vacancy Guarantee Period. Fourways Precinct's liability to pay the Orthotouch Letting Enterprises Vacancy Guaranteed Income cannot exceed R665 080 per annum escalating at a rate of 8% per annum commencing on 1 April 2014;
- 6.1.4 Either Fourways Precinct or Accelerate is entitled to find a tenant for the Fourways Vacant Premises, the Fourways Development Vacant Premises and/or the Orthotouch Letting Enterprises Vacant Premises. The Fourways Vacancy Guaranteed Income, the Fourways Development Vacancy Guaranteed Income and/or the Orthotouch Letting Enterprises Vacancy Guaranteed Income is reduced by an amount equal to the rental, the operating costs and other recoveries payable under the new lease entered into with a tenant, irrespective of whether such new lease is terminated for any reason prior to its term, or the rental, operating costs and other recoveries payable under the new lease are not paid in full to Accelerate;
- 6.1.5 As security for the payment of the Fourways Vacancy Guaranteed Income, the Fourways Development Vacancy Guaranteed Income and the Orthotouch Letting Enterprises Vacancy Guaranteed Income, Fourways Precinct, will pledge Shares having a value of not less than R14 million as at the date of Listing and which will be held in trust account and make payment of an amount of R18 million in cash to the Attorneys with instructions that such amount must be held in an account in terms of section 78(2A) of the Attorneys Act and may be used to pay Accelerate any shortfall in the Fourways Vacancy Guaranteed Income, Fourways Development Vacancy Guaranteed Income and/or the Orthotouch Letting Enterprises Vacancy Guaranteed Income, as the case may be.
- If at any time payment under the Vacancy Guarantee is made by realizing the pledge Shares, then Fourways Precinct shall immediately cede and pledge that number of additional Shares necessary to reinstate the number of pledged Shares to a number of Shares not having a value of less than R14 million.
- If Accelerate exercises its rights to realise its security held under the Vacancy Guarantees, then Fourways Precinct shall immediately make payment to the Attorneys of the amount necessary to reinstate the Guarantee Amount to the sum of R18 million.

7. PROP MANCO PROPERTY MANAGEMENT AGREEMENT

- 7.1 Accelerate has entered into the Property Management Agreement in terms of which it has appointed, with effect from the Property Portfolio Transfer Date, Prop Manco to render the property management services set out in the Property Management Agreement for the Georgiou Letting Enterprises and the Orthotouch Letting Enterprises.
- 7.2 Prop Manco has been appointed for an initial period of 10 years and is renewable by Prop Manco for successive periods of 10 years, provided it is not in breach of the Property Management Agreement. The Property Management Agreement can be terminated by either Prop Manco or by Accelerate in the following instances:
- Accelerate has the right, to terminate the Property Management Agreement upon:
 - i. 15 Business Days' written notice upon the occurrence of an event of default by Prop Manco of a grossly negligent or dishonest nature or a material breach; or
 - ii. 90 Business Days' written notice upon the disposal of all or the greater part by value of the properties and the letting enterprises by Accelerate to entities which are not associated with any persons or entities which are not wholly-owned subsidiaries of Accelerate.
 - Prop Manco has the right, to terminate the Property Management Agreement upon:
 - iii. six months' written notice at any time;

- iv. 15 Business Days' written notice to Accelerate upon the occurrence of an event of default by Accelerate which is grossly negligent or dishonest nature or a material breach; or
 - v. 30 Business Days' written notice upon:
 - the disposal of all or the greater part of the properties and the letting enterprises by Accelerate to entities which are not wholly-owned subsidiaries of Accelerate; or
 - a change of control of Accelerate.
 - Should the Company terminate this Agreement in terms of 7.2(ii), or should Prop Manco terminate this Agreement in terms of 7.2(iv) or (v), then the Company will be obliged to make a payment to Prop Manco of a termination fee in an amount calculated by:
 - projecting for the remaining period of the Agreement ("**the Projection Period**") the Property Management Fee at a rate of 3% calculated on the average Gross Income earned over a period of 12 (twelve) months immediately prior to the date of termination and escalated over the Projection Period by the rate of escalation provided for in the various lease agreements concluded in respect of the Letting Enterprises and failing agreement as to the amount of the escalations under such lease agreements, the amount of the escalations, such amount as agreed to between Prop Manco and the Company having regard to market conditions, and failing agreement, as decided upon by the Independent Expert; and
 - the termination fee shall be equal to the net present value of the projected termination fee calculated above at a discount rate equal to the CPI (which is an annual rate).
 - In the event of a dispute as to whether the event of default referred to in 7.2(i) and (iv) is a grossly negligent or dishonest nature or a material breach going to the root of this Prop Manco Property Management Agreement, the dispute shall be determined by an independent expert and the date of termination will only be effective on the date of the decision obtained from the Independent expert.
- 7.3 For a period of 10 years from the Property Portfolio Transfer Date, Prop Manco shall be paid a monthly fee equal to not less than 1% but not more than 3% of all receipts (excluding VAT) of all amounts collected under the Lease Agreements including, rates and taxes, insurance premiums, lessee's share of operating costs, merchant's contributions, municipal recoveries, as determined by Accelerate. The monthly fee can be increased up to 3% having regard to the certain performance criteria, namely:
- the Letting Enterprises concerned exceeded the Distributable Income per Share forecast in the Annual Budget by 10% or more;
 - the vacancies of the Letting Enterprises concerned is less than 4% or the industry norm, whichever is the lower, calculated on an annualised basis; and
 - the increase in the management fee (subject to the maximum of 3%) will not result in the aforementioned Distributable Income per Share forecast being reduced.
- 7.4 On the tenth anniversary of the date of the Property Portfolio Transfer Date and thereafter on each successive fifth anniversary of such date, the property management fees shall be reviewed and adjusted to market related property management fees prevailing at the time concerned and agreed upon by Prop Manco and Accelerate and failing agreement by an independent expert.
- 7.5 At the end of each financial year of Accelerate, Accelerate will:
- calculate the Distributable Income per Share achieved for the year concerned and will determine whether the actual Distributable Income per Share is equal to or greater by 10% or more than the Distributable Income per Share forecast contemplated in the Annual Budget; and
 - verify whether the vacancies of the Letting Enterprises concerned are under 4% or the industry norm, and if the actual Distributable Income per Share is greater than the budgeted Distributable Income per Share after taking into account the payment of the property management fees to Prop Manco in respect of the year concerned and the vacancies of the Letting Enterprises concerned are under 4% or the industry norm (whichever is the lower), then the property management fees will be appropriately increased up to the maximum of 3% and Accelerate shall make payment to Prop Manco of the amount of the property management fees which had the effect of meeting or increasing the budgeted Distributable Income per Share in the year concerned.
- 7.6 Prop Manco is entitled to a commission of:
- 100% of the recommended tariff of SAPOA in respect of Lease Agreements negotiated with new tenants. Where a new tenant is introduced by another agent, that agent is entitled to be paid commission by Accelerate. Prop Manco shall not be entitled to any share of commission paid to another agent; and

- 50% of the tariff recommended by SAPOA in respect of the renewal of any lease agreement with existing tenants.

The commission payable to Prop Manco is payable at the end of Accelerate's financial year during which the commission was earned by Prop Manco. If the actual Distributable Income per Share is less than the budget Distributable Income per Share with reference to the payment of the commission, then the amount of commission otherwise due to Prop Manco will be appropriately antecedently waived or reduced such that the budgeted Distributable Income per Share is achieved.

8. **FOURWAYS PROPERTY MANAGEMENT AGREEMENT**

- 8.1 Accelerate has entered into the Fourways Property Management Agreement in terms of which it has appointed, with effect from the Property Portfolio Transfer Date, Fourways Precinct to render the property management services set out in the Fourways Property Management Agreement for the Fourways Letting Enterprises and the Fourways Development Letting Enterprises.
- 8.2 Fourways Precinct has been appointed for an initial period of 10 years renewable by Fourways Precinct if it is not in breach of the Fourways Property Management Agreement for successive periods of 10 years. The Fourways Property Management Agreement is terminable by either Fourways Precinct or by Accelerate in the following instances:
- Accelerate has the right, to terminate the Fourways Property Management Agreement upon:
 - i. 15 Business Days' written notice upon the occurrence of an event of default by Fourways Precinct of a grossly negligent or dishonest nature or a material breach; or
 - ii. 90 Business Days' written notice upon the disposal of all or the greater part by value of the properties and letting enterprises by Accelerate to entities which are not associated with any persons or entities which are not wholly-owned subsidiaries of Accelerate. If Accelerate cancels the Fourways Property Management Agreement on this basis then a termination fee is payable to Fourways Precinct set out in the Fourways Property Management Agreement.
 - Fourways Precinct has the right, to terminate the Fourways Property Management Agreement upon:
 - iii. six months' written notice at any time;
 - iv. 15 Business Days' written notice to Accelerate upon the occurrence of an event of default by Accelerate which is grossly negligent or dishonest nature or a material breach; or
 - v. 30 Business Days' written notice upon:
 - the disposal of all or the greater part of the properties and letting enterprises by Accelerate to entities which are not wholly-owned subsidiaries of Accelerate; or
 - a change of control of Accelerate.
 - Should the Company terminate this Agreement in terms of 8.2(ii), or should Fourways Precinct terminate this Agreement in terms of 8.2(iv) or (v), then the Company will be obliged to make a payment to Fourways Precinct of a termination fee in an amount calculated by:
 - projecting for the remaining period the Agreement ("**the Projection Period**") the Property Management Fee at a rate of 3% calculated on the average Gross Income earned over a period of 12 (twelve) months immediately prior to the date of termination and escalated over the Projection Period by the rate of escalation provided for in the various lease agreements concluded in respect of the Letting Enterprises and failing agreement as to the amount of the escalations under such lease agreements, the amount of the escalations, such amount as agreed to between Fourways Precinct and the Company having regard to market conditions, and failing agreement, as decided upon by the Independent expert; and
 - the termination fee shall be equal to the net present value of the projected termination fee calculated above at a discount rate equal to the CPI (which is an annual rate).
 - In the event of a dispute as to whether the event of default referred to in 7.2(i) and (iv) is a grossly negligent or dishonest nature or a material breach going to the root of this Fourways Property Management Agreement, the dispute shall be determined by an independent expert and the date of termination will only be effective on the date of the decision obtained from the Independent expert.
- 8.3 For a period of 10 years from the Property Portfolio Transfer Date, Fourways Precinct shall be paid a monthly fee equal to not less than 1% but not more than 3% of all amounts (excluding VAT) collected under the Lease Agreements including, rates and taxes, insurance premiums, lessee's share of operating costs, merchant's contributions, municipal recoveries, as determined by Accelerate. The monthly fee can be increased up to 3% having regard to the certain performance criteria, namely:

- the Letting Enterprises concerned exceeded the Distributable Income per Share forecast in the Annual Budget by 10% or more;
 - the vacancies of the Letting Enterprises concerned is less than 4% or the industry norm, whichever is the lower, calculated on an annualised basis; and
 - the increase in the management fee (subject to the maximum of 3%) will not result in the aforementioned Distributable Income per Share forecast being reduced.
- 8.4 On the tenth anniversary of the Property Portfolio Transfer Date and thereafter on each successive fifth anniversary of such date, the property management fees shall be reviewed and adjusted to market related property management fees prevailing at the time concerned and agreed upon by Fourways Precinct and Accelerate and failing agreement by an independent expert.
- 8.5 At the end of each financial year of Accelerate, Accelerate will:
- calculate the Distributable Income per Share achieved for the year concerned and will determine whether the actual Distributable Income per Share is equal to or greater by 10% or more, than the Distributable Income per Share forecast contemplated in the Annual Budget; and
 - verify whether the vacancies of the Letting Enterprises concerned are under 4% or the industry norm, and if the actual Distributable Income per Share is greater than the budgeted Distributable Income per Share after taking into account the payment of the property management fees to Fourways Precinct in respect of the year concerned and the vacancies of the Letting Enterprises concerned are under 4% or the industry norm (whichever is lower), then the property management fees will be appropriately increased up to the maximum of 3% and Accelerate shall make payment to Fourways Precinct of the amount of the property management fees which had the effect of meeting or increasing the budgeted Distributable Income per Share in the year concerned.
- 8.6 Fourways Precinct is entitled to commission of:
- 100% of the recommended tariff of SAPOA in respect of Lease Agreements negotiated with new tenants. Where a new tenant is introduced by another agent, that agent is entitled to be paid commission by Accelerate. Fourways Precinct shall not be entitled to any share of commission paid to another agent; and
 - 50% of the tariff recommended by SAPOA in respect of the renewal of any lease agreement with existing tenants.

The commission payable to Fourways Precinct is payable at the end of Accelerate's financial year during which the commission was earned by Fourways Precinct. If the actual Distributable Income per Share is less than the budget Distributable Income per Share with reference to the payment of the commission, then the amount of commission otherwise due to Fourways Precinct will be appropriately antecedently waived or reduced such that the budgeted Distributable Income per Share is achieved.

9. **CONDITIONAL DEFERRED PAYMENT AGREEMENT**

Accelerate, and each of the Vendors have entered into an agreement in terms of which each of the Vendors are entitled, for the Vacancy Period to lease the Vacant Premises to prospective tenants.

The terms of the Conditional Deferred Payment are set out below:

- For each Excess Vacant Premises, should the relevant Vendor let some or all of that property's Excess Vacant Premises, such Vendor will be paid the relevant deferred amount (subject to the Maximum Conditional Deferred Payment of the relevant Letting Enterprise);
- The Conditional Deferred Payment due to the Vendor on the fulfilment of the Deferred payment conditions on a relevant property will be calculated by capitalising the attributable 12-month forward Net Income (gross rental per the new lease less property management fees (1% of gross rental), bad debts provision (0.5% of gross rental), tenant installations (0.5% of gross rental), and any other non-recoverable incremental expenses to be incurred by Accelerate as a result of the new lease) at the applicable pre-agreed Yield Rate for that Letting Enterprise;
- The Conditional Deferred Payment will be settled by Accelerate by the issue and allotment of the Additional Shares to the Vendor at a clean 30-day VWAP, with an antecedent divestment of distributions by the Vendor to Accelerate where applicable;
- In this context in order for the Vendor to be entitled to any accrued distribution on the Additional Shares it receives, the Vendor will pay to Accelerate any accrued distribution up to the issue date (to be calculated by Accelerate at that time) as an antecedent payment to Accelerate prior to the issue date. Alternatively the Antecedent amount due by the Vendor can be deducted from the Conditional Deferred Payment due to the Vendor and less Accelerate Shares issued to the Vendor as a result.

- Where applicable Additional Shares will be issued to the Vendors bi-annually following the record date for the interim and final distributions, respectively.
- The deferred payment arrangement is not transferrable if Accelerate sells the relevant property within three years of Listing.
- The Deferred payment conditions which are applicable to new leases on all Excess Vacant Premises include the following:
 - the tenant has a clear credit record;
 - Transunion ITC conducts a credit enquiry into the tenant, and the tenant is not listed, and the Vendor, acting reasonably, is satisfied with the outcome of the credit enquiry;
 - minimum lease period of 3 years (2 years for individuals);
 - gross rental/m² must be at least 90% of the budgeted rental or market-related rental at that time;
 - escalations at CPI + 2% subject to a minimum of 7%;
 - minimum 3-month deposit (excluding Anchor Tenants);
 - Accelerate to approve each lease/tenant, which approval shall not be unreasonably withheld;
 - the lease must be on the same terms and conditions as contained in Accelerate's standard written agreement of lease;
 - the proposed usage of the leased premises by the tenant complies with the zoning of the leased premises;
 - if the tenant intends to lease a portion of the Excess Vacant Premises in a specific Letting Enterprise, then the Vendor, acting reasonably, must be satisfied that the sub-division of such Excess Vacant Premises will not adversely affect the ability to let the remainder of the Excess Vacant Premises in that Letting Enterprise; and
 - any new leases or tenants must be approved by Accelerate (acting reasonably).

10. ESHOWE MALL

- 10.1 Accelerate has entered into an agreement of sale with Highveld Syndication No. 18 Limited (registration number 2003/030778/06) and Orthotouch in terms of which Accelerate purchased the Eshowe Land and the Eshowe Letting Enterprise. On the Property Portfolio Transfer Date, all risk and benefit in and to Eshowe Land and the Eshowe Letting Enterprise will pass to Accelerate, subject to the provisions of paragraph 10.6.
- 10.2 Orthotouch has sold the Eshowe Letting Enterprise to Accelerate for the Eshowe Purchase Price. The Eshowe Purchase Price will be paid by Accelerate to Orthotouch in Shares. The Eshowe Purchase Price will be paid in full on the Property Portfolio Transfer Date, subject to the provisions of paragraph 10.6.
- 10.3 The Eshowe Transfer will take place on the Property Portfolio Transfer Date. As at the Last Practicable Date, Accelerate has received confirmation from the Attorneys that the relevant documents have been lodged in the Deeds Office and anticipates that the Eshowe Land will be transferred into Accelerate's name on the day prior to the date of Listing.
- 10.4 Warranties commonly provided for in a transaction of this nature have been provided by Orthotouch in respect of the Eshowe Land and the Eshowe Letting Enterprise.
- 10.5 The Eshowe Sale Agreement has been concluded on the basis that the Eshowe Letting Enterprise are sold as going concerns and are zero-rated in terms of section 11(1)(e) of the VAT Act.
- 10.6 If the Eshowe Transfer has not taken place on the Property Portfolio Transfer Date, then delivery of the Eshowe Letting Enterprise shall nonetheless take place on the Property Portfolio Transfer Date, save that delivery of one component of the Eshowe Letting Enterprise, namely the Eshowe Land, will take place on the date of the Eshowe Transfer. In such event Accelerate will procure that the Shares forming the Eshowe Purchase Price are issued in the name of Orthotouch, or its renounee. Accelerate will deliver the shares to Ironwood Trustees to hold the Shares in escrow pending the Eshowe Transfer. On the date of the Eshowe Transfer, Ironwood Trustees will release the Shares to Orthotouch, or its renounee.

11. PRE-EMPTIVE RIGHTS AGREEMENT

- 11.1 Accelerate has entered into the Pre-emptive Rights Agreement in terms of which it has been granted a pre-emptive right to acquire all letting enterprises with a transaction value above R100 million within the Georgiou Group property portfolio other than Orthotouch, and an option to acquire 50% undivided share in the Loch Logan Waterfront letting enterprise from the earlier of two years from Listing or after the re-development of Loch Logan has been completed, at a price to be agreed at during that time.

- 11.2 The Pre-emptive Rights Agreements has the necessary grandfather clauses (excluding internal Group restructures) in the event of a change of control within any of the Georgiou Group companies.
- 11.3 Any transactions resulting from the exercise by Accelerate will be subject to the relevant Shareholder approvals under the terms of the Listings Requirements.
- 11.4 Mr Michael Nicolas Georgiou, or any companies, close corporations or trusts owned or controlled by Mr Michael Nicolas Georgiou (the "**Competing Party**") is not entitled, either on his/its own or in consortium with third parties, directly or indirectly, to acquire or procure the acquisition of letting enterprises comprising buildings, land, assets and liabilities having a value equal to or greater than R100 million escalating annually at CPI plus 2%, commencing from 1 January 2014 (the "**Opportunity**") which Accelerate would pursue or participate in the ordinary course of business. Only if Accelerate elects not to pursue the Opportunity together with the Competing Party, will he/it be entitled to pursue and exploit the Opportunity.
- 11.5 The Grantors (other than Michael Nicolas Georgiou, or any companies, close corporations or trusts owned or controlled by Mr Michael Nicolas Georgiou, who are already subject to the provisions of 11.4 acting individually or collectively (the "**Remaining Competing Parties**") are bound by the provisions of 11.4, provided that in relation to the Remaining Competing Parties the non-competition restriction in 11.4 will only apply to transactions where the property/shopping complex involved has more than 30 000 square metres of retail gross lettable area.
- 11.6 The Competing Party shall not, on his own or in consortium with third parties, directly or indirectly, develop or pursue the development of any land outside of its existing property portfolio ("**Further Development Opportunity**") as it is agreed that any Further Development Opportunity will be pursued by Accelerate and the Competing Party jointly if he/it and Accelerate so elect.
- 11.7 If Accelerate, after considering the Further Development Opportunity, elects not to pursue the Further Development Opportunity, then the Competing Party is entitled to pursue the Further Development Opportunity on the same terms and conditions as that offered to Accelerate, provided that the Further Development Opportunity shall not be prejudicial (in Accelerate's view acting reasonably) in any way to Accelerate or any properties owned or controlled by Accelerate.
- 11.8 Clauses 11.5, 11.6 and 11.7 shall remain applicable for so long as the Grantors, collectively, hold more than 10% of the total issued share capital of Accelerate or Mr Michael Nicholas Georgiou remains a member of the Board of Accelerate, provided that any reduction in the total share capital of Accelerate held by the Grantors to below 10% is not as a result of the Grantors selling their Shares. For the avoidance of doubt, for purposes of this clause 11.8, the Grantors are entitled to sell such number of their Shares, where such sale does not reduce their shareholding in Accelerate to below 10%.

12. FOREGOING OF DISTRIBUTIONS ON THE BULK AGREEMENT

- 12.1 Accelerate has entered into an agreement for the foregoing of distributions in terms of which Fourways Precinct will antecedently renounce the distributions otherwise payable in respect of the unutilised bulk attaching to Cedar Square, the Buzz and BMW Fourways under the Fourways Sale Agreements, for a period equal to the lesser of 5 years from the Date of Transfer or such period until the bulk is developed and is income producing.
- 12.2 Accelerate is under no obligation to develop the bulk during the 5-year period, unless it is commercially feasible to do so, and Fourways Precinct may request Accelerate to conduct feasibility studies on the bulk.

SUMMARY OF THE RELATIONSHIP AGREEMENT

The definitions and interpretations commencing on page 13 to this Pre-listing Statement shall apply, *mutatis mutandis*, to this Annexure 13.

1. Relationship Agreement has been entered into between:
 - 1.1 Fourways Precinct; and
 - 1.2 the Michael Family Trust.
2. The parties to the Relationship Agreement are shareholders (the "Pool Members") of Accelerate and they have entered into the Relationship Agreement to regulate the manner in which they will vote the Shares which each of them own in Accelerate (the "Pool Shares") at general meetings of Accelerate.
3. The Pool Members appoint Mr Michael Georgiou as their initial pool representative (the "Pool Representative"). The Pool Representative acts as a proxy and/or representative of each Pool Member.
4. The Pool Representative may at any time resign as the Pool Members' representative. The Pool Members may, by consensus agreement request the Pool Representative to resign.
5. The Pool Representative must convene meetings on the instruction of a Pool Member and if a Pool Member has failed to convene a meeting of the Pool Members prior to a general meeting of Accelerate, then the Pool Representative is obliged to convene a meeting at least 7 days prior to the general meeting concerned.
6. A quorum for a Pool Members' meeting, other than at an adjourned meeting, is both of the Pool Members or their proxies or duly appointed representatives.
7. If the Pool Members cannot reach agreement on a resolution, then the Pool Members must meet immediately after the Pool Members' meeting to resolve the deadlock. If the Pool Members cannot resolve the deadlock by the date of the general meeting at which the resolution relating to the deadlock is due to be considered, then the Pool Members shall be entitled to instruct the Pool Representative to vote in accordance with each Pool Members' specific instructions, provided that:
 - 7.1 if the resolution in respect of which the deadlock exists relates to an event which is material to the control (as defined in Regulation 81 of the Companies Regulations, 2011) of Accelerate, then such instructions shall be to vote against such resolution; and
 - 7.2 if the resolution in respect of which the deadlock exists relates to a resolution to be passed by the shareholders of Accelerate, then such instructions shall be to vote in favour of such resolution; and
 - 7.3 if the resolution relates to the appointment of the chief executive officer and/or the chief operating officer of Accelerate, then such instructions shall be to vote in favour of such resolution.
8. Only the nominated Pool Member or the Pool Representative is entitled to exercise votes attaching to the Pool Shares at a general meeting. The nominated Pool Member or the Pool Representative, as the case may be, may only vote as directed by the Pool Members at the Pool Members' meeting.
9. Additional shares issued to the Pool Members by Accelerate or acquired by the Pool Members from a third party subsequent to the date of signature of the Relationship Agreement will constitute Pool Shares.
10. The Pool Members will procure that the Board is restructured in accordance with the Companies Act, the King III and the Listings Requirements. The Pool Members are obliged to support and vote their Pool Shares in favour of the appointment of each other's nominee/s as Directors to the Board. There are restrictions on the number of Directors which each Pool Member may nominate to the Board.
11. The Pool Members agree to:
 - 11.1 co-operate and negotiate in good faith to continue enhance the growth and business of Accelerate as a REIT;
 - 11.2 vote their Pool Shares in favour of the:
 - 11.2.1 appointment of other Pool Member's nominees to the Board;
 - 11.2.2 removal of other Pool Member's nominees from the Board when requested by the other Pool Member; and

11.2.3 appointment of the other Pool Member's nominee/s to the Board in the event of removal or disqualification of any of the other Pool Member's nominees as Directors from the Board.

12. For a period of 2 years from the date of Listing, Fourways Precinct may not sell or offer to sell or agree to sell or encumber all or any portion of its Pool Shares without the prior written consent of the Michael Family Trust. Approximately R410 million worth of those locked-in Shares will be encumbered, and in the event of a default by Fourways Precinct or Michael Family Trust, the Michael Family Trust lenders will be entitled to trade those Shares in an orderly fashion.
13. If a Pool Member intends to dispose of its Pool Shares (the "Selling Member"), then the Selling Member must advise the other Pool Member (the "Remaining Member") in writing thereof, including whether the transfer of the Pool Shares is to a *bona fide* third party purchaser or a disposal by way of an open trade on the JSE. The other Pool Member is entitled to purchase the Selling Member's Pool Shares. If the Remaining Member does not exercise their rights to purchase the Selling Member's interest, then the Selling Member is entitled to sell and transfer its Pool Shares not purchased by the Remaining Member to a third party purchaser.
14. If any of the Pool Members is entitled to take up in relation to its Pool Shares, any shares or any voting securities in Accelerate under a rights offer, then the Pool Member in question is obliged to take up the offer or to offer the entitlement to those shares to the other Pool Member.
15. The Relationship Agreement terminates:
 - 15.1 on the final winding-up of Accelerate, provided that if Accelerate is discharged from winding-up and any or all of the Pool Members are still members of Accelerate, the Relationship Agreement shall be reconstituted between those Pool Members;
 - 15.2 if a Pool Member cease to hold any Pool Shares; and
 - 15.3 if in respect of the Pool Representative, its appointment ceases.

SALIENT FEATURES OF THE MEMORANDUM OF INCORPORATION

1. APPLICATION OF THE COMPANIES ACT

The MOI is subject to the unalterable provisions of the Companies Act. All acts of the Company must be carried out in terms of the provisions of the Companies Act and, except where the Companies Act provides for elections, the provisions of the Companies Act must be strictly adhered to.

2. JURISTIC PERSONALITY

- 2.1 The Company was incorporated as from 16 May 2005 as a private company.
- 2.2 The Shareholders of the Company have resolved to change the Company category to a public company, which change took effect on 22 January 2013.
- 2.3 The Company is a pre-existing company and, as such, continues to exist as a public company as if it had been incorporated and registered in terms of the Companies Act. The MOI replaces and supersedes the Memorandum and Articles of Association of the Company applicable immediately prior to the filing thereof.
- 2.4 The Company will list its shares on the securities exchange operated by the JSE. The Company will obtain REIT status from the JSE in accordance with the provisions of the Listings Requirements, and will make application to SARS for qualification for tax deduction of its distributions under section 25BB of the Income Tax Act.

3. POWERS OF THE COMPANY AND SPECIAL CONDITIONS

- 3.1 The Company will conduct its business in such manner as to ensure that it at all times complies with the provisions of section 25BB of the Income Tax Act and the requirements set by the JSE for the Company to qualify as a REIT.
- 3.2 A special resolution approved by a 90% (ninety per cent) majority of those Shareholders present and voting, for as long as the REIT requirements as contemplated in the Income Tax Act and the Listings Requirements are in existence, is required in order to amend the special condition referred to in 3.1 above.
- 3.3 Save for the provisions of 3.1 above:
 - 3.3.1 the Company has all of the legal powers and capacity contemplated in the Companies Act, and no provision contained in the MOI should be interpreted or construed as negating, limiting or restricting those powers in any way whatsoever;
 - 3.3.2 the legal powers and capacity of the Company are not subject to any restrictions, limitations or qualifications.
- 3.4 The MOI does not contain any restrictive conditions applicable to the Company, or prohibit the amendment of any particular provision of the MOI.

4. ISSUE OF SHARES AND VARIATION OF RIGHTS

- 4.1 The Company has 10 000 000 000 (ten billion) authorised shares and 100 (one hundred) issued shares.
- 4.2 Shares in each class for which application is made for listing on the JSE shall rank *pari passu* in respect of all rights.
- 4.3 The authority of the Board to increase or decrease the number of authorised shares, consolidate and reduce the number of the Company's issued and authorised shares, sub-divide its shares by increasing the number of its issued and authorised shares without an increase of its capital, reclassify any classified shares that have been authorised but not issued and to classify any classified shares that have been authorised but not issued, or to determine the preferences, rights, limitations or other terms of any class of shares has been limited to the extent that any such action requires approval of the JSE and of the Shareholders passed by way of a special resolution.
- 4.4 The pre-emptive rights of existing Shareholders to subscribe for additional Shares have been limited. In this regard, the aforesaid pre-emptive rights shall not apply where the shares are issued in consideration for the acquisition of assets; for cash, as contemplated in, and in accordance with, the provisions of the Listings Requirements; or under an approved share incentive scheme.

5. **FINANCIAL ASSISTANCE**

The Board may authorise the Company to provide financial assistance including by way of loan, guarantee, the provision of security, or otherwise to any person for the purpose of, or in connection with, the subscription of any option, or any shares, issued or to be issued by the Company or a related or inter-related company, or for the purchase of such shares, and the authority of the Board in this regard, is not limited or restricted by the MOI.

6. **DEBT INSTRUMENTS**

The ability of the Board to authorise the issue of any debt instruments is not limited or restricted by the MOI.

7. **DISTRIBUTIONS**

7.1 The Company must conduct its business in such a way that more than 75% (seventy-five per cent) of the gross income received by or accrued to the Company in each year of assessment will consist of rental income (as defined in the Income Tax Act).

7.2 In addition to 7.1 and subject to the provisions of the Companies Act and the MOI, the Company may make a proposed distribution if such distribution:

7.2.1 is pursuant to an existing legal obligation of the Company or a court order; or

7.2.2 is authorised by resolution of the Board, in compliance with the Listings Requirements.

8. **GENERAL MEETINGS OF SHAREHOLDERS**

8.1 The Company shall hold a general meeting:

8.1.1 at any time that the Board is required by the Companies Act, the Listings Requirements or the MOI to refer a matter to Shareholders for decision;

8.1.2 whenever required in terms of the Companies Act to fill a vacancy on the Board; or

8.1.3 for the purposes of adhering to the Listings Requirements.

8.2 The authority of the Company to conduct a meeting entirely by electronic communication, or to provide for participation by 1 (one) or more Shareholders, or proxies for Shareholders, in a meeting by electronic communication is not limited or restricted by the MOI.

8.3 Voting is to take place by a show of hands, unless a poll is demanded before or on the declaration of the result of a show of hands, by 5 (five) persons having the right to vote on that matter (whether as Shareholder or proxy), or a Shareholder(s) entitled to exercise at least 10% (ten per cent) of the voting rights entitled to be voted on that matter, or by the chairperson of the meeting.

9. **PROXIES**

9.1 The right of a Shareholder to appoint 2 (two) or more persons concurrently as proxies, and to appoint more than 1 (one) proxy to exercise voting rights attached to different securities held by that Shareholder is not limited, restricted or varied by the MOI.

9.2 A proxy may not:

9.2.1 delegate its authority to act on behalf of the Shareholder on whose behalf such proxy is held to another person;

9.2.2 exercise, or abstain from exercising any voting right, without the direction of the Shareholder on whose behalf such proxy is held.

10. **NOTICES AND ELECTRONIC COMMUNICATION**

10.1 All notices shall be given by the Company to each Shareholder and simultaneously to the Issuer Regulation Division of the JSE, and shall be given in writing in any manner authorised by the Listings Requirements and the Regulations to the Companies Act (the "**Regulations**"), and particularly Table CR3 annexed to the Regulations. All notices shall also be released through SENS where required by the Listings Requirements, provided that, in the event that any shares are not listed on the JSE, all provisions of the MOI relating to the publication of notices via SENS shall no longer apply and such notices shall thereafter only be published in accordance with the provisions of the Companies Act.

- 10.2 Each Shareholder shall notify the Company in writing of an address, which address may be a physical, postal, facsimile or email address ("**Address**"), which Address shall be his registered address for the purposes of delivery of notices and other documentation. If a Shareholder does not name an Address, he shall be deemed to have waived his right to be so served with notices and other documentation until such time as he provides an Address. If a Shareholder provides written notice of an email address and/or facsimile number, that shall be the Shareholder's address for the purposes of receiving notices by way of electronic communication (as contemplated under the Electronic Communications and Transactions Act, 25 of 2002) and, having done so a Shareholder shall be deemed to have agreed to receiving by electronic communication, notices and other documents from the Company at his email address or facsimile number.
- 10.3 A document is treated as having been sent to a Shareholder where:
- 10.3.1 the Company and the Shareholder have agreed to the Shareholder having access to documents on a website and the Shareholder has been notified of the publication of the documents on a website, the address of that website and the place on the website where the documents may be accessed;
 - 10.3.2 not less than 15 (fifteen) business days before the date of a general meeting if the documents have been published on a website throughout the period commencing 15 (fifteen) business days before the general meeting and ending with the conclusion of the general meeting and notification of that publication on the website has been sent to the Shareholder not less than 15 (fifteen) business days before the date of the general meeting.

11. **SHAREHOLDERS' RESOLUTIONS**

- 11.1 Save for where the Listings Requirements require a 75% (seventy-five per cent) majority, for an ordinary resolution to be adopted at a general meeting, it must be supported by the holders of more than 50% (fifty per cent) of the voting rights exercised on the resolution.
- 11.2 For a special resolution to be adopted at a general meeting, it must be supported by the holders of at least 75% (seventy-five per cent) of the voting rights exercised on the resolution.

12. **SHAREHOLDERS ACTING OTHER THAN AT A MEETING**

A resolution may be voted on in writing by Shareholders entitled to exercise the voting rights in relation to that resolution (save in respect of general meetings that are called for in terms of the Listings Requirements or the passing of any resolution for the election or re-election of Directors, or to any annual general meeting).

13. **COMPOSITION AND POWERS OF THE BOARD**

- 13.1 The Board shall comprise at least 4 (four), and not more than 15 (fifteen), Directors, appointed by the Shareholders.
- 13.2 In addition to the elected Directors:
- 13.2.1 each Director may nominate an alternate Director;
 - 13.2.2 there are no Shareholder appointed or *ex officio* Directors of the Company.
- 13.3 All Directors shall be elected by ordinary resolutions of the Shareholders at a general meeting or annual general meeting of the Company. The election is to be conducted by a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been filled. In each vote to fill a vacancy, each voting right entitled to be exercised may be exercised once, and the vacancy is filled only if a majority of the voting rights exercised support the candidate.
- 13.4 No appointment by Shareholders of a Director in accordance with a resolution passed by way of a written resolution shall be competent.
- 13.5 In addition to satisfying the qualification and eligibility requirements set out in the Companies Act to become or remain a Director or a prescribed officer of the Company, the Board may, in its sole discretion, impose that, in order to become or remain a Director or prescribed officer of the Company, a person must be, and remain, independent from any competitor of the Company and, in particular, without limitation, another property holding company listed on the JSE.
- 13.6 Should the number of Directors fall below the prescribed minimum, then the Board shall have a 3 (three)-month period to fill such vacancy. A failure to have the minimum number of Directors during such period does not limit or negate the authority of the Board, although after the expiry of such period, the Board may only act to increase the number of Directors to the required minimum or to summon a general meeting for that purpose.

- 13.7 A Director authorised by the Board:
- 13.7.1 may call a Board meeting at any time; and
 - 13.7.2 must call a Board meeting if required to do so by at least:
 - 13.7.2.1 25% (twenty-five per cent) of the Directors (if the Board is comprised of at least 12 (twelve) members; or
 - 13.7.2.2 2 (two) Directors in any other case.
- 13.8 At least 1/3 (one-third) of the Directors (or such number that is nearest to, but not less than, 1/3 (one-third) of the Directors) must retire with effect from the annual general meeting of the Company, provided that if a Director is as executive or managing Director or chief executive officer or chief financial officer, or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Directors.
- 13.9 For purposes of the election or re-election of a retiring Director; the Nomination Committee shall provide the Shareholders with a recommendation in the notice of the general meeting or the explanatory notes as to which Directors are eligible for election or re-election.
- 13.10 The Board may authorise the payment of donations by the Company to religious, charitable, public or other bodies, clubs, funds, associations or persons as may seem desirable in the interests of the Company, provided that any donations to any political parties or associations shall require the prior approval of Shareholders in general meeting.

14. **MANAGING DIRECTOR AND EXECUTIVE DIRECTORS**

The Board may from time to time appoint one or more of the Directors as executive Directors or as managing Directors, Chief Executive Officer or Financial Director, on such terms and conditions as to remuneration and otherwise as may be determined from time to time by the Remuneration Committee or the Board.

15. **DIRECTORS' REMUNERATION AND FINANCIAL ASSISTANCE**

- 15.1 The authority of the Company to pay remuneration to the Directors for their services as Directors, in accordance with a special resolution approved by the Shareholders within the previous 2 (two) years is not limited or restricted by the MOI.
- 15.2 The authority of the Board to authorise the Company to provide, direct or indirect, financial assistance (including lending money, guaranteeing a loan or other obligation, and securing any debt or obligation) to a Director or prescribed officer of the Company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related corporation or to a person related to any such company, corporation, Director, prescribed officer or member is not limited or restricted by the MOI.

16. **INDEMNIFICATION OF DIRECTORS**

The power of the Company to do the following is not limited, restricted or extended by the MOI:

- 16.1 advance expenses to a Director or directly or indirectly indemnify a Director in respect of the defence of legal proceedings;
- 16.2 indemnify a Director in respect of liability; and/or section 78(6) of the Companies Act; and
- 16.3 purchase insurance to protect the Company or a Director.

17. **BORROWING POWERS**

- 17.1 Subject to the Listings Requirements and the Income Tax Act, the Board may from time to time and in accordance with the Companies Act exercise all of the powers of the Company, to:
- 17.1.1 borrow for the purposes of the Company such sums as they think fit; and/or
 - 17.1.2 secure the payment or repayment of any such sums or any other sum, as they think fit, whether by the creation and issue of shares, the conclusion of letters of comfort, guarantees, the creation of a mortgage or charge upon all or any of the property or assets of the Company.
- 17.2 The borrowing powers of the Company shall be unlimited both as to quantum and as to instrument used.

18. **COMMISSION**

- 18.1 The Company may pay commission at a rate not exceeding 10% (ten per cent) of the issue price of a share to any person in consideration for his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares or for procuring or agreeing to procure, whether absolutely or conditionally, subscriptions for any shares.
- 18.2 Such commission may be paid out of capital or profits, whether current or accumulated, or partly out of the one and partly out of the other; and may be paid in cash or, if authorised by the Company in general meeting, by the allotment of fully paid-up shares, or partly in one way and partly in the other.
- 18.3 The Company may, on any issue of shares, pay such brokerage as may be lawful.

19. **COMPANY RULES**

The Board is prohibited from making, amending or repealing any rules relating to the governance of the Company in respect of matters that are not addressed in the Companies Act and the Board's capacity to make, amend or repeal such rules is excluded in the MOI.

20. **ANNUAL FINANCIAL STATEMENTS**

- 20.1 The Company shall keep all such accurate and complete accounting records, in English, as are necessary to enable the Company to satisfy its obligations in terms of the Companies Act, the Regulations, the Listings Requirements, any other law with respect to the preparation of financial statements to which the Company may be subject and the MOI.
- 20.2 The Company shall each year prepare annual financial statements within 6 (six) months after the end of its financial year, or such shorter period as may be appropriate to provide the required notice of an annual general meeting.
- 20.3 The Company shall appoint an auditor each year at its annual general meeting. If the Company appoints a firm as its auditor, any change in the composition of the members of that firm shall not by itself create a vacancy in the office of auditor.
- 20.4 The annual financial statements of the Company must be prepared and audited in accordance with the provisions of the Companies Act and the Listings Requirements.
- 20.5 In accordance with the provisions of 20.2, a copy of the annual financial statements must be sent to Shareholders at least 15 (fifteen) business days before the date of the annual general meeting of the Company at which such annual financial statements will be considered.
- 20.6 The annual financial statements shall be prepared on a basis that is not inconsistent with any unalterable or non-elective provision of the Companies Act and shall:
 - 20.6.1 satisfy, as to form and content, the financial reporting standards of IFRS; and
 - 20.6.2 subject to and in accordance with IFRS:
 - 20.6.2.1 present fairly the state of affairs and business of the Company and explain the transactions and financial position of the business of the Company;
 - 20.6.2.2 show the Company's assets, liabilities and equity, as well as its income and expenses;
 - 20.6.2.3 set out the date on which the statements were produced and the accounting period to which they apply; and
 - 20.6.2.4 bear on the first page thereof a prominent notice indicating that the annual financial statements have been audited and the name and professional designation of the person who prepared them.
- 20.7 The Company may provide any person with a summary of any particular financial statements.

21. **AMENDMENT OF MOI**

The MOI may be altered or amended in the manner set out in the Companies Act, provided that:

- 21.1 any amendment must be submitted to the JSE for approval before such amendments are submitted to all the Shareholders for approval; and
- 21.2 any amendment to the MOI must be approved by a special resolution of all the Shareholders, save if such an amendment is ordered by a court.

CORPORATE GOVERNANCE STATEMENT

The definitions and interpretations commencing on page 13 to this Pre-listing Statement shall apply, *mutatis mutandis*, throughout this Annexure 15.

Accelerate applies all 75 principles of King III as reflected in a comprehensive register which can be viewed on the Company's website. Full details of the Company's compliance with the principles of corporate governance can be found at www.acceleratepf.co.za

I. BOARD OF DIRECTORS

The Board is, collectively, responsible to the Group's stakeholders for the long-term success of the Group and for the overall strategic direction and control of the Group. This responsibility is explicitly assigned to the Board in its charter and, to some extent, in the Company's MOI.

The Directors have, accordingly, established mechanisms and policies appropriate to the Company's business according to its commitment with best practices in corporate governance in order to ensure compliance with King III. The Board will review these mechanisms and policies from time to time.

I.1 Summary of the Board charter

The main functions of the Board covered by the Board charter are:

- determining the Company's purpose, values and identifying its stakeholders and developing strategies in relation thereto;
- being the focal point for and custodian of good corporate governance by managing the Board's relationship with management, the shareholders of the Company and other stakeholders of Accelerate;
- providing strategic direction and leadership which is aligned to the Company's value system by reviewing and approving budgets, plans and strategies for Accelerate and monitoring the implementation of such strategic plans and approving the capital funding for such plans;
- ensuring that Accelerate's business is conducted ethically and monitoring the ethics performance of Accelerate;
- approving business plans, budgets and strategies which are aimed at achieving Accelerate's long-term strategy and vision;
- annually reviewing the Board's work plan;
- ensuring the sustainability of Accelerate's business;
- reporting in Accelerate's integrated annual report on the going concern status of Accelerate and whether Accelerate will continue to be a going concern in the next financial year;
- determining, implementing and monitoring policies, procedures, practices and systems to ensure the integrity of risk management and internal controls in order to protect Accelerate's assets and reputation;
- identifying and monitoring key performance indicators of Accelerate's business and evaluating the integrity of the systems used to determine and monitor such performance;
- monitoring and ensuring compliance with the Company's policies, codes of best business practice, the recommendations of King III and all applicable laws and regulations;
- adopting and annually reviewing the information technology governance framework and receiving independent assurance on such framework;
- considering, through the Audit Committee, specific limits for the levels of risk tolerance;
- defining levels of materiality, thereby reserving certain powers for itself and delegating other matters to management of the Company;
- ensuring that the Company's annual financial statements are prepared and are laid before a duly convened Annual General Meeting of the Company;
- ensuring that a communications policy is established, implemented and reviewed annually and, in addition to its statutory and regulatory reporting requirements, that such policy contains accepted principles of accurate and reliable reporting including being open, transparent, honest, understandable, clear and consistent in Accelerate's communications with stakeholders;

- considering recommendations made to the Board by the Remuneration and Nomination Committee in regard to the nomination of new directors and the re-appointment of retiring directors, both as executive Directors and non-executive Directors;
- ensuring that the competency and other attributes of the Directors are suitable for their appointment as directors and the roles which they are intended to perform on the Board and that they are not disqualified in any way from being appointed as Directors;
- ensuring that appointments to the Board are formal and transparent and comply with all prescribed procedures;
- ensuring that a succession plan for the executive Directors and senior management is implemented;
- ensuring the appointment and removal of the Company Secretary;
- reviewing the competence, qualifications and experience of the Company Secretary annually;
- selecting and appointing suitable candidates as members of committees of the Board and the chairmen of such committees.

1.2 **Composition of the Board**

As at the date of Listing the Board comprises 9 (nine) Directors of which 4 (four) are executive Directors and 5 (five) are non-executive with 4(four) of them being independent.

The directors are:

| | |
|--------------------|---|
| Tito Mboweni | Non-Executive Director (Chairman) |
| Michael Georgiou | Executive Director (“Chief Executive Officer” or “CEO”) |
| Andrew Costa | Executive Director (“Chief Operating Officer” or “COO”) |
| Dimitri Kyriakides | Executive Director (“Financial Director”) |
| John Paterson | Executive Director |
| Gert Cruywagen | Lead Independent Non-Executive Director |
| Tim Fearnhead | Independent Non-Executive Director |
| John Doidge | Independent Non-Executive Director |
| Kolosa Madikizela | Independent Non-Executive Director |

1.3 **Chairman and lead independent director**

The roles of the chairman and CEO are separate and the office of the chairman is occupied by a non-executive director. Since Mr Mboweni wishes to be deemed not independent, the Board has appointed Dr Cruywagen as lead independent non-executive director, in line with the recommendations of King III.

1.4 **The Chief Executive Officer**

The Board has appointed a CEO and will establish a framework for delegation of authority. The Board will ensure that the role and function of the CEO will be formalised and that the CEO’s performance is evaluated against specified criteria.

1.5 **Balance of power**

The Company’s executive Directors are involved in the day-to-day business activities of the Group and are responsible for ensuring that the decisions of the Board are implemented in accordance with the mandates given by the Board.

The Board will ensure that there is an appropriate balance of power and authority on the Board, such that no one individual or block of individuals dominates the Board’s decision-taking. The non-executive directors are individuals of calibre, credibility and have the necessary skills and experience to bring independent judgement on issues of strategy, performance, resources, and standards of conduct and evaluation of performance.

1.6 **Code of Ethics**

The Board will be responsible for the strategic direction of the Company. It will set the values which the Company will adhere to and will formulate in this regard a code of ethics which will be applied throughout the Company, as provided below.

The current Board's diversity of professional expertise and demographics make it a highly effective Board with regard to Accelerate's current strategies. The Board shall ensure that, in appointing successive Board members, the Board as a whole will continue to reflect, whenever possible, a diverse set of professional and personal backgrounds.

1.7 Information and other professional advice

The information needs of the Board will be reviewed annually and Directors will have unrestricted access to all Company information, records, documents and property to enable them to discharge their responsibilities efficiently. Efficient and timely methods of informing and briefing Board members prior to Board meetings will be developed and in this regard steps have been taken to identify and monitor key risk areas, key performance areas and non-financial aspects relevant to Accelerate. In this context, the Directors will be provided with information in respect of key performance indicators, variance reports and industry trends.

The Board will establish a formal induction programme to familiarise incoming Directors with the Company's operations, senior management and its business environment, and to induct them in their fiduciary duties and responsibilities. Directors will receive further briefings from time to time on relevant new laws and regulations as well as on changing economic risks.

Directors will ensure that they have a working understanding of applicable laws. The Board will ensure that the Company complies with applicable laws and considers adherence to non-binding industry rules and codes and standards. In deciding whether or not non-binding rules shall be complied with, the Board will factor the appropriate and ethical considerations that must be taken into account. New Directors with no or limited Board experience will receive appropriate training to inform them of their duties, responsibilities, powers and potential liabilities.

The Board will establish a procedure for Directors, in furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense. All Directors will have access to the advice and services of the Company Secretary.

1.8 Board evaluation

The Board will disclose details in their Directors' report of how it has discharged its responsibilities to establish an effective compliance framework and process.

The Board will appraise the chairman's performance and ability to add value to the Company on an annual or such other basis as the Board may determine. The Chairman, or a sub-committee appointed by the Board, will appraise the performance of the CEO at least annually.

The Board as a whole and individual Directors will have their overall performance periodically reviewed in order to identify areas for improvement in the discharge of individual Director's and the Board's functions on an annual basis. This review will be undertaken by the Chairman and, if so determined by the Board, an independent service provider.

The Board has developed a charter setting out its responsibilities for the adoption of strategic plans, monitoring of operational performance and management, determination of policy and processes to ensure the integrity of the Company's risk management and internal controls, communication policy and Director selection, orientation and evaluation.

1.9 Board meetings

Board meetings will be held at least quarterly, with additional meetings convened when circumstances necessitate. The Board will set the strategic objectives of the Company and determine investment and performance criteria as well as being responsible for the sustainability, proper management, control, compliance and ethical behaviour of the businesses under its direction. The Board will establish a number of committees to give detailed attention to certain of its responsibilities and which will operate within defined, written terms of reference.

1.10 Directors' declarations and conflict of interests

The Board will determine a policy for detailing the manner in which a Directors' interest in transactions is to be determined and the interested Directors' involvement in the decision-making process. Real or perceived conflicts will be disclosed to the Board and managed in accordance with the pre-determined policy used to assess a Director's interest in transactions.

1.11 Dealing in Securities

Directors, executives and senior employees are prohibited from dealing in Accelerate securities during certain prescribed restricted periods. A formal securities dealings policy has been developed to ensure Directors' and

employees' compliance with the Listings Requirements and the insider trading legislation in terms of the Financial Markets Act.

1.12 **Procedures for appointments**

The Board will determine a policy for detailing the procedures for appointments to the Board. Such appointments are to be formal and transparent and a matter for the Board as a whole assisted where appropriate by the Remuneration and Nominations Committee.

The development and implementation of nomination policies will be undertaken by the Nominations Committee and the Board as whole, respectively.

1.13 **Rotation of Directors**

All Directors hold service contracts. No Director shall be appointed for life or for an indefinite period and the Directors shall rotate in accordance with the following provisions:

- at the first annual general meeting following the Listing, all the Directors shall retire and they shall be eligible for re-election;
- the appointment of executive Directors shall be terminable in terms of the provisions of their service contracts;
- at each annual general meeting thereafter one-third of the Directors for the time being shall retire from office, by rotation, provided that if a Director is an executive or managing Director or CEO or CFO, or as an employee of the Company in any other capacity, he or she shall not, while he or she continues to hold that position or office, be subject to retirement by rotation and he or she shall not, in such case, be taken into account in determining the rotation or retirement of Director; and
- the Directors to retire in every year shall be those who have been longest in office since their last election; and a retiring Director shall be eligible for re-election.

2. **COMPANY SECRETARY**

A suitably qualified, competent and experienced Company Secretary is appointed and appropriately empowered to fulfil duties with regards to assistance to the Board. 4 Syte Business Solutions Proprietary Limited serves as the Company Secretary. The Directors of the Company Secretary are not Directors of the Company and have an arm's length relationship with the Board, who can also remove the Company Secretary from office. The Company Secretary assists the Remuneration and Nomination Committee with the appointment, induction and training of Directors. It provides guidance to the Board of Directors' duties and good governance and ensures that Board and Board committee charters are kept up to date. The Company Secretary prepares and circulates Board papers and assists with obtaining responses, input, and feedback for Board and Board committee meetings. Assistance is also provided with regard to the preparation and finalisation of Board and Board committee agendas based on annual work plan requirements.

The Company Secretary ensures that minutes of Board and the Board committees are prepared and circulated and also assists with the annual evaluations of the Board, Board committees and individual Directors.

3. **BOARD COMMITTEES**

The Board has delegated certain functions to the Executive Committee, Audit and Risk Committee, the Remuneration and Nominations Committee, the Social and Ethics Committee and the Investment Committee. The Board is conscious of the fact that such delegation of duties is not an abdication of the Board members' responsibilities. The various committees' terms of reference shall be reviewed annually and such terms of reference will be disclosed in the Company's integrated report.

External advisors and executive Directors who are not members of specific committees may attend committee meetings by invitation, if deemed appropriate by the relevant committees.

3.1 **The Executive Committee**

The Executive Committee is empowered and responsible for implementing the strategies approved by the Board and for managing the affairs of Accelerate.

The committee is chaired by the CEO and comprises the executive Directors, head of property management and head of development.

The committee meets weekly and deliberates, takes decisions or makes recommendations on all matters of strategy and operations within its mandate. The mandate is set by the Board and sometimes the decisions or recommendations are referred to the Board or relevant Board committee for final approval.

3.2 **Audit and Risk Committee**

The Board has established an Audit and Risk Committee ("ARCOM").

Members:

- Tim Fearnhead – Chairman
- Kolosa Madikizela
- Gert Cruywagen

All of the members of the committee are financially literate (and the Board will ensure that any future appointees are financially literate).

The ARCOM is responsible for performing the functions required of it in terms of section 94(7) of the Companies Act. These functions include nominating and appointing the Company's auditors and ensuring that such auditors are independent of the Company; determining the fees to be paid to the auditor and the auditor's terms of engagement; ensuring that the appointment of the auditor complies with the provisions of the Companies Act and any other relevant legislation; dealing with any complaints (whether from within or outside the Company) relating to accounting practices, internal audits of the Company or the content of the Company's financial statements and related matters.

The non-statutory functions of this committee are to assist the Board in fulfilling its responsibilities by reviewing the effectiveness of internal control systems in the Group with reference to the findings of external auditors, reviewing the annual financial statements and interim reports of the Company as well as other public communications of a financial nature, considering accounting issues, ensuring that all key areas of risks have been properly identified and that the Company mitigates such risks, reviewing audit recommendations and ensuring that the Company complies with relevant legislation and sound corporate governance principles.

In addition, and if required, the committee will review any significant cases of fraud, misconduct or conflicts of interests. The ARCOM will from time to time determine policies with regard to non-audit services provided by the external auditor.

The Company's external auditors have unrestricted access to the ARCOM and attend its meetings.

The ARCOM reviews the expertise, experience and performance of Accelerate's CFO, Dimitri Kyriakides, annually and reports on whether or not it is satisfied therewith. The ARCOM has determined that it is satisfied with Dimitri Kyriakides' current expertise, experience and performance as Accelerate's Financial Director. In addition, the ARCOM reviews and reports on the expertise, resources and experience of the Company's finance function.

The ARCOM meets twice per financial year, excluding any *ad hoc* meetings held to consider special business.

The ARCOM is responsible for:

- i. adopting and implementing an appropriate risk management policy, which policy:
 - (1) is in accordance with industry practice; and
 - (2) specifically prohibits the Company from entering into any derivative transactions that are not in the normal course of business;
- ii. reporting in the annual report each year that they have monitored compliance with the policy and that the Company has, in all material respects, complied with the policy during the year concerned;
- iii. reporting to the JSE in the annual compliance declaration referred to in paragraph 13.49(d) that it has monitored compliance with the policy and that the Company has, in all material respects, complied with the policy during the year concerned; and
- iv. at the time of Listing, confirming to the JSE and disclosing in this Pre-listing Statement that it has adopted the policy referred to in paragraph 13.46(h)(i).

Being a property entity, wishing to receive a REIT status the Company must comply with the following distribution provisions:

- (a) the Company must distribute at least 75% of its total Distributable Profits as a distribution to the holders of its listed securities by no later than 6 months after its financial year-end, subject to the relevant solvency and liquidity test as defined in the Companies Act and applied in section 46 of the Companies Act;
- (b) interim distributions may occur before the end of a financial year-end; and
- (c) the Company will procure that, subject to the solvency and liquidity test and section 46 of the Companies Act, those of its subsidiaries that are property entities incorporated in South Africa will distribute at least 75% of their total distributable profits as a distribution by no later than 6 months after their financial year-ends.

3.3 **Remuneration and Nomination Committee**

Members:

- John Doidge – Chairman
- Tito Mboweni
- Tim Fearnhead

The CEO and other executives attend meetings of the Remuneration and Nomination Committee by invitation but do not participate in discussions regarding their own remuneration and benefits.

The Remuneration and Nomination Committee is responsible for reviewing the Group's Board structure, the size and composition of the various boards within the Group and for making recommendations in respect of these matters as well as an appropriate split between executive and non-executive Directors and independent Directors. This committee also assists in identification and nomination of new Directors for approval by the Board. It considers and approves the classification of Directors as independent, oversees induction and training of Directors and conducts annual performance reviews of the Board and various board committees. The Remuneration and Nomination Committee is also responsible for ensuring the proper and effective functioning of the Group's boards and assists the chairman in this regard.

The Remuneration and Nomination Committee further has the responsibility and authority to consider and make recommendations to the Board on, *inter alia*, remuneration policy of the Company, the payment of performance bonuses, executive remuneration, short, medium and long-term incentive schemes and employee retention schemes.

The Remuneration Committee uses external market surveys and benchmarks to determine executive Director remuneration and benefits, to the extent paid by Accelerate, as well as non-executive Directors' base fees and attendance fees. Accelerate's remuneration philosophy is to structure packages in such a way that long and short-term incentives are aimed at achieving business objectives and the delivery of shareholder value.

3.4 **Social and Ethics Committee**

Members:

- Kolosa Madikizela – Chairperson
- John Doidge
- Tim Fearnhead
- John Paterson

The Social and Ethics Committee ("SECOM") will monitor the Group's activities, having regard to any relevant legislation, other legal requirements and prevailing codes of best practice, in respect of social and economic development, good corporate citizenship (including the promotion of equality, prevention of unfair discrimination; the environment, health and public safety, including the impact of the Group's activities and of its products or services), consumer relationships and labour and employment issues.

The responsibility of this committee is further to advise the Board on all relevant aspects that may have a significant impact on the long-term sustainability of the Group and which influence the Group's triple bottom line reporting. The committee will also draw to the attention of the Board matters within its mandate as occasion requires and report to the shareholders at the Company's annual general meeting on such matters.

3.5 Investment Committee

The Investment Committee is an important element of the Board's system to implement its inspecting strategy through acquisitions, disposals and redevelopment and refurbishments.

The Investment Committee comprises not more than eight members, including the CEO, COO and at least one non-executive Director; provided that more than one non-executive Director is independent. The Investment Committee currently comprises:

- M Georgiou (CEO);
- A Costa (COO);
- J Paterson (executive Director);
- GC Cruywagen (independent non-executive Director);
- TT Mboweni (non-executive Director);
- R Vallance; and
- A du Toit.

*Two additional independent non-executive Directors with significant property related experience will be appointed to the Board post Listing and will form part of the Investment Committee

Summary of terms of reference:

The investment committee's purpose and function is:

- to consider recommendations from management for acquisitions, capital expenditure or disposals;
- to authorise and approve such transactions and capital expenditure which fall within its approval mandate;
- to make recommendations to the Board regarding transactions and capital expenditure that fall outside its approval mandate.

3.6 Risk management

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed. This is the Board's responsibility. With assistance from expert risk consultants, risks will be assessed and appropriate insurance cover purchased for all material risks above pre-determined self-insurance limits. Levels of cover will be re-assessed annually in light of claims experiences and events affecting the Group, internally and externally. The risk management function will fall under the functions of the ARCOM.

3.7 Communication

Accelerate is committed to a policy of timeous and effective communication with Shareholders and other stakeholders through Shareholder meetings, annual financial reports, interim financial reports and presentations to institutional investors and industry analysts. Matters of both a financial and non-financial nature will be communicated to stakeholders and Shareholders in a timeous and transparent fashion.

The Directors will exercise their powers in relation to the Company so as to ensure that:

- the Company carries on and conducts its business and affairs in a proper and efficient manner and for its own benefit;
- all business is transacted at arm's length;
- the Company will not enter into any agreement or arrangement restricting its competitive freedom;
- all the business of the Company will be undertaken and transacted by the Board, provided that the Board will delegate certain matters to the manager and the property manager in terms of the Property Management Agreement;
- all business will be carried on pursuant to policies laid down by the Board;
- the Company allots and issues its Shares and other securities at the best price attainable in the circumstances;
- the Company will not acquire, dispose of, hire, lease, license or receive licences of any assets, goods, rights or services, otherwise than at a reasonable price attainable in the circumstances;
- the Company will maintain books of account and record accurate and complete entries of all its dealings and transactions of and in relation to its operations;
- the Company will prepare such accounts in respect of each accounting reference period as required by statute and the JSE and procure that such accounts are audited or reviewed, as the case may be, as soon as practical and in any event not later than six months after the end of a relevant accounting reference period;

- each accounting reference period of the Company will be a period of six calendar months;
- if the Company requires any approval, consent or licence to conduct its business in the places and in the manner in which it is carried on, the Company will use its best endeavours to maintain the same in full force and effect;
- the Company will adopt and maintain in force bank mandates which require that each cheque issued or bank transfer made is signed by the authorised signatories and in accordance with such mandate as the Board determines from time to time and for the time being;
- if the Company conducts any property development activities and for such purpose concludes a development agreement with any third party, such development agreement will be concluded on an arm's length basis on market-related terms;
- the Board will from time to time determine the required investment strategy for the Company.

3.8 **Internal control systems**

- To meet the Company's responsibility to provide reliable financial information, the Company maintains financial and operational systems of internal control. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, that the assets are adequately protected against material losses, unauthorised acquisitions, use or disposals, and that transactions are properly authorised and recorded. The systems include a documented organisational structure and division of responsibility, established policies and procedures which are communicated throughout the Group, and the careful selection, training and development of people.
- The Company intends to appoint an appropriate third party to perform an independent internal audit function. The Company monitors the operation of the internal control systems in order to determine if there are deficiencies. Corrective actions are taken to address control deficiencies as they are identified. The Board, operating through the ARCOM, oversees the financial reporting process and internal control systems. There are inherent limitations on the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, an effective internal control system can provide only reasonable assurance with respect to financial statement preparation and the safeguarding of assets.
- Company will remeasure investment properties to fair value annually;
- the Company will otherwise prepare its accounts on a historical cost basis and will adopt accounting policies in accordance with IFRS.

DETAILS OF THE VENDORS

The table below sets out the details of the Vendors of the Letting Enterprises comprising the Property Portfolio:

Vendor: Fourways Precinct

Name of Director: Michael Georgiou
 Vendor's address: 96 Raymond Mhlaba Street, Navaisig, Bloemfontein, 9301
 Beneficial shareholder: Michael Family Trust

| No | Property Name | Nature of Interest Acquired | Current Registered Owner and Vendor | Date of transfer | Acquisition Price (Current Owner) | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Conditional Deferred Payment |
|----|---------------------------------------|-----------------------------|-------------------------------------|--|-----------------------------------|-----------------------------------|--|------------------------------|--------------------------------------|
| 1 | BMW Fourways Building | Letting Enterprise and Land | Fourways Precinct | 26-Mar-10 | Not Specified | On Listing Date | R152 300 000 | R162 800 000 | R0 |
| 2 | Cedar Square | Letting Enterprise and Land | Fourways Precinct | 16 Nov 06 – Erven 862, 863 and 864 21 Dec 06 – Erven 918 and 919 | R111 000 000 | On Listing Date | R732 121 655 – R764 500 586 | R759 300 000 | R0 |
| 3 | Exact Mobile | Letting Enterprise and Land | Fourways Precinct | 30-Mar-06 | R21 389 000 | On Listing Date | R0 | R15 600 000 | R13 800 000 |
| 4 | Ford and Mazda Building | Letting Enterprise and Land | Fourways Precinct | 20-Jun-08 | Not Specified | On Listing Date | R52 060 622 | R43 900 000 | R0 |
| 5 | Fourways Game | Letting Enterprise and Land | Fourways Precinct | 1-Oct-07 | R120 000 000 | On Listing Date | R135 958 902 – R154 159 614 | R162 700 000 | R0 |
| 6 | Fourways Mall Shopping Centre | Letting Enterprise and Land | Fourways Precinct | 25-Feb-05 | R720 000 000 | On Listing Date | R1 935 181 961 – R1 997 979 442 | R2 094 800 000 | R0 |
| 7 | Fourways View | Letting Enterprise and Land | Fourways Precinct | 30-Mar-06 | R66 711 000 | On Listing Date | R259 024 007 – R296 706 652 | R312 500 000 | R0 |
| 8 | Sasol Delta Building | Letting Enterprise and Land | Fourways Precinct | 1-Sep-05 | R23 000 000 | On Listing Date | R50 109 290 | R55 600 000 | R0 |
| 9 | The Buzz Shopping Centre | Letting Enterprise and Land | Fourways Precinct | 22-Sep-06 | R17 474 396 | On Listing Date | R240 999 310 | R280 900 000 | R0 |
| 10 | Valley View Unit 1, 4, 5 and 7 | Letting Enterprise and Land | Fourways Precinct | 28-Aug-07 | R24 706 000 | On Listing Date | R10 171 992 | R15 300 000 | R0 |
| | | | | | R1 104 280 396 | | R3 567 927 738 – R3 718 987 508 | R3 903 400 000 | R13 800 000 |

Notes:

- Accelerate has entered into an agreement with Fourways Precinct, in terms of which the Fourways Development Letting Enterprises will be acquired by Accelerate from Fourways Precinct.
- The cash portion of the Purchase Consideration is linked to the settlement of the mortgage bonds in respect of the various Letting Enterprises on the date of transfer of the Land. The split of the cash and equity portions of the Purchase Consideration have been calculated using mortgage bond figures for each Letting Enterprise as at 19 November 2013. This split will change based on the final settlement figures, however, such changes will not be material.
- The aggregate purchase consideration of R3 567 927 738 – R3 718 987 508 will be settled through the assumption by Accelerate of a liability of R2 388 560 000 and through the issue of 219 175 452 – 238 561 226 Shares to Fourways Precinct.

Vendor:**George Nicolas Trust**

George Georgiou
 Name of Director:
 Vendor's address:
 Trustees:
 Beneficiaries:

96 Raymond Mhlaba Street, Navalsig, Bloemfontein, 9301
 George Nicolas Georgiou, Bronwyn Dale Georgiou, Stamatis Tsangarakis
 Kia Joy Georgiou, Scheffer Nicolas Georgiou, Sage Francis Georgiou, Quine Georgiou and any other children born out of the marriage between Nicolas Georgiou and Bronwyn Dale Georgiou

| No | Property Name | Nature of Interest Acquired | Current Registered Owner | Date of transfer | Acquisition Price (Current Owner) by Accelerate | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Conditional Deferred Payment |
|----|-------------------------------|-----------------------------|------------------------------|------------------|---|-----------------------------------|--|------------------------------|--------------------------------------|
| 1 | 99 – 101 Hertzog Boulevard | Letting Enterprise and Land | Kia Joy Trust | 4-Dec-07 | R44 000 000 | On Listing Date | R41 700 638 | R48 800 000 | R0 |
| 3 | Edcon | Letting Enterprise and Land | Schaeffer Technologies Trust | 9-Sep-04 | R31 954 000 | On Listing Date | R56 088 706 | R58 500 000 | R0 |
| 4 | Keerom Chambers | Letting Enterprise and Land | Schaeffer Technologies Trust | 12-Dec-04 | R92 700 000 | On Listing Date | R58 709 342 | R61 400 000 | R0 |
| 5 | Mr Price | Letting Enterprise and Land | Schaeffer Technologies Trust | 30-Nov-05 | 12 132 849 (vacant land only) | On Listing Date | R71 887 440 | R61 300 000 | R0 |
| 6 | Mustek (89 Hertzog Boulevard) | Letting Enterprise and Land | Kia Joy Trust | 25-Nov-09 | R24 400 000 | On Listing Date | R24 616 348 | R35 800 000 | R6 699 481 |
| 7 | Oceana | Letting Enterprise and Land | Kia Joy Trust | Not specified | Not specified | On Listing Date | R112 118 695 | R112 800 000 | R8 027 439 |
| 8 | The Pines | Letting Enterprise and Land | Schaeffer Technologies Trust | 24-Apr-06 | R18 810 000 | On Listing Date | R64 182 108 | R71 100 000 | R0 |
| 9 | Thomas Pattullo | Letting Enterprise and Land | Kia Joy Trust | 6-Sep-07 | R34 000 000 | On Listing Date | R43 882 326 | R47 600 000 | R0 |
| 10 | Triangle House | Letting Enterprise and Land | Schaeffer Technologies Trust | 25-Apr-06 | R31 000 000 | On Listing Date | R29 662 043 | R31 800 000 | R3 558 338 |
| | | | | | R276 864 000 | | R502 847 644 | R529 100 000 | R18 285 258 |

Notes:

- The aggregate Purchase Consideration of R502 847 644 will be settled by cash raised from the Offer.
- The Land and the Letting Enterprises conducted thereon will transfer to Accelerate upon transfer date, which is anticipated as the day before Listing date.

Vendor:

Name of Directors: S Barend, Stephanus van der Linde, Willem Morkel Steyn.

Vendor's address: 185 Schoeman Street, Arcadia Pretoria

Trustees: Kia Joy – George Nicolas Georgiou, Bronwyn Dale Georgiou, Stamatios Tshangarkis

Beneficiaries: Kia Joy – Schaeffer Nicolas Georgiou, Sage Francis Georgiou, Kia Joy Georgiou

Highveld Syndication

| No | Property Name | Nature of Interest Acquired | Current Registered Owner | Date of transfer | Acquisition Price (Current Owner) | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Conditional Deferred Payment |
|----|---------------|-----------------------------|----------------------------|------------------|-----------------------------------|-----------------------------------|--|------------------------------|--------------------------------------|
| 1. | Eshowe Mall | Letting Enterprise and Land | Highveld Syndication No 18 | 12-Feb-2007 | R58 000 000 | On Listing Date | R47 258 149 | R52 200 000 | R3 328 445 |

Orthotouch

Name of Directors: Panagiotis Kleovoulou, Johannes Frederick Klopper, Nicolas Georgiou, Cornelius Fourie Myburgh, Casper Franscious de Villiers, Heydenrych van Loggerenberg

Vendor's address: 9 Charles Crescent, Eastgate Ext 4, Sandton, 2146

Trustees: Nicolas Georgiou, George Nicolas Georgiou, Bronwyn Dale Georgiou, Stamatios Tsangarakis

Beneficiaries: NAG Trust

| No | Property Name | Nature of Interest Acquired | Current Registered Owner | Date of transfer | Acquisition Price (Current Owner) | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Conditional Deferred Payment |
|-----|---------------------------|-----------------------------|----------------------------|------------------|-----------------------------------|-----------------------------------|--|------------------------------|--------------------------------------|
| 1. | Beacon Isle | Letting Enterprise and Land | Highveld Syndication No 18 | 6-Jan-09 | R26 150 000 | On Listing Date | R17 683 711 | R20 000 000 | R402 976 |
| 2. | 14 Main Road Melville | Letting Enterprise and Land | Highveld Syndication No 18 | 30-Jun-09 | R16 000 000 | On Listing Date | R8 215 845 | R8 300 000 | R99 371 |
| 3. | 9 Main Road Melville | Letting Enterprise and Land | Highveld Syndication No 18 | 30-Jun-09 | R16 000 000 | On Listing Date | R27 338 745 | R31 500 000 | R4 974 927 |
| 4. | 11 Main Road Melville | Letting Enterprise and Land | Highveld Syndication No 18 | | | | | | |
| 5. | 7 Main Road Melville | Letting Enterprise and Land | Highveld Syndication No 18 | 30-Jun-09 | R16 000 000 | On Listing Date | R7 790 107 | R15 500 000 | R9 434 086 |
| 6. | Eden Terrace | Letting Enterprise and Land | Highveld Syndication No 16 | 2-Jun-06 | R35 889 563 | On Listing Date | R32 000 000 | R38 000 000 | R0 |
| 7. | Glen Gables | Letting Enterprise and Land | Zephan Properties | 18-Aug-06 | R59 000 000 | On Listing Date | R32 556 543 | R46 000 000 | R9 711 718 |
| 8. | Highveld Centurion | Letting Enterprise and Land | Zephan Properties | 18-Aug-06 | R39 800 000 | On Listing Date | R43 459 756 | R46 500 000 | R4 201 346 |
| 9. | Meshcape Edenvale | Letting Enterprise and Land | Zephan Properties | 31-Oct-06 | R30 300 000 | On Listing Date | R32 554 905 | R35 000 000 | R0 |
| 10. | Wilrogate Shopping Centre | Letting Enterprise and Land | Zephan Properties | 24-Jul-08 | R58 366 139 | On Listing Date | R58 974 904 | R72 000 000 | R0 |

| No | Property Name | Nature of Interest Acquired | Current Registered Owner | Date of transfer | Acquisition Price (Current Owner) | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Deferred payment |
|-----|--------------------------------|-----------------------------|------------------------------|------------------|-----------------------------------|-----------------------------------|--|------------------------------|--------------------------|
| 11. | Waterford S/C | Letting Enterprise and Land | Highveld Syndication No 16 | 1-Nov-07 | R50 893 871 | On Listing Date | R39 270 044 | R36 000 000 | R4 288 287 |
| 12. | Cascades | Letting Enterprise and Land | Highveld Syndication No 16 | 13-Jan-06 | R30 140 244 | On Listing Date | R14 000 000 | R15 000 000 | R0 |
| 13. | 1 Charles Crescent | Letting Enterprise and Land | Zephan Properties | 30-Jun-06 | R41 040 000 | On Listing Date | R110 808 516 | R119 400 000 | R0 |
| 14. | 9 Charles Crescent | Letting Enterprise and Land | Salestalk 231 | 22-Nov-06 | R19 000 000 | On Listing Date | R17 099 946 | R34 300 000 | R21 976 455 |
| 15. | 10 Charles Crescent | Letting Enterprise and Land | Zephan Properties | 29-Feb-08 | R16 000 000 | On Listing Date | R20 844 885 | R15 600 000 | R0 |
| 16. | ABSA Brakpan | Letting Enterprise and Land | Zephan Properties | 26-Nov-06 | R15 300 000 | On Listing Date | R10 291 057 | R12 000 000 | R1 676 379 |
| 17. | Cherry Lane | Letting Enterprise and Land | Zephan Properties | 27-Mar-08 | R174 123 353 | On Listing Date | R80 475 677 | R102 000 000 | R54 445 028 |
| 18. | Corporate Park Shopping Centre | Letting Enterprise and Land | Zephan Properties | 11-Feb-08 | R28 355 000 | On Listing Date | R9 227 480 | R29 500 000 | R13 144 206 |
| 19. | Eastlymne Shopping Centre | Letting Enterprise and Land | Zephan Properties | 16-Nov-06 | R23 500 000 | On Listing Date | R30 499 213 | R33 000 000 | R353 387 |
| 20. | Flora Office Park | Letting Enterprise and Land | Zephan Properties | 4-Feb-04 | R66 250 000 | On Listing Date | R71 374 495 | R73 000 000 | R32 137 934 |
| 21. | Highway Gardens Office Park | Letting Enterprise and Land | Zephan Properties | 27-Feb-04 | R11 250 000 | On Listing Date | R18 773 699 | R29 000 000 | R8 230 336 |
| 22. | Kyalami Downs S/C | Letting Enterprise and Land | Zephan Properties | 29-Feb-08 | R110 054 078 | On Listing Date | R130 000 000 | R132 000 000 | R0 |
| 23. | Leaping Frog | Letting Enterprise and Land | Fourways Precinct | 23-Oct-06 | R135 000 000 | On Listing Date | R147 121 010 | R148 000 000 | R0 |
| 24. | Mill House | Letting Enterprise and Land | Schaeffer Technologies Trust | 27-Jun-08 | R21 500 000 | On Listing Date | R22 979 381 | R24 700 000 | R0 |
| 25. | PriMovie Park | Letting Enterprise and Land | Zephan Properties | 16-Jul-04 | R28 260 000 | On Listing Date | R83 090 314 | R93 000 000 | R2 194 262 |
| 26. | Rietfontein | Letting Enterprise and Land | Zephan Properties | 25-Jan-08 | R31 167 631 | On Listing Date | R24 378 811 | R28 000 000 | R0 |
| 27. | Rock Cottage | Letting Enterprise and Land | Zephan Properties | 28-Mar-11 | R48 086 412 | On Listing Date | R63 000 000 | R64 000 000 | R0 |
| 28. | Tyger Manor | Letting Enterprise and Land | Kia Joy Trust | 21-Nov-06 | R48 553 110 | On Listing Date | R48 832 608 | R51 400 000 | R0 |
| 29. | Venter Centre | Letting Enterprise and Land | Zephan Properties | 4-Feb-08 | R103 000 000 | On Listing Date | R53 059 875 | R59 000 000 | R793 460 |

| No | Property Name | Nature of Interest Acquired | Current Registered Owner | Date of transfer | Acquisition Price (Current Owner) | Date of Acquisition by Accelerate | Purchase Price to Accelerate from Vendor | Independent Valuation Amount | Maximum Deferred payment |
|------------------|----------------------------|-----------------------------|--------------------------|------------------|-----------------------------------|-----------------------------------|--|------------------------------|--------------------------|
| 30. | Willows Shopping Centre | Letting Enterprise and Land | Zephan Properties | 28-Feb-08 | R8 500 000 | On Listing Date | R58 739 013 | R65 000 000 | R7 658 654 |
| 31. | Willropark Shopping Centre | Letting Enterprise and Land | Basfour 2296 | 23-Jul-06 | R26 150 000 | On Listing Date | R9 000 000 | R12 000 000 | R0 |
| Sub-total | | | | | RI 347 479 401 | | RI 323 440 539 | RI 488 700 000 | RI77 698 297 |
| Total | | | | | | | R5 517 003 956 | R5 973 400 000 | R209 783 554 |

The aggregate purchase consideration of RI 323 440 539 will be settled partly in Shares and the balance by cash raised from the Offer. Orthotouch has renounced the Shares it will be receiving to the Michael Family Trust.

Notes:

- The Vendors are the Registered Owners of the Land on which the Letting Enterprises are conducted, save in respect of the Orthotouch Land and the Georgiou Land, which whilst registered in the name of the Registered Owners, the Orthotouch Letting Enterprises and Georgiou Letting Enterprises have already transferred into the name of Orthotouch and the George Nicolas Trust, respectively, who will continue to conduct such Orthotouch Letting Enterprises and Georgiou Letting Enterprises, until the transfer into the name of Accelerate.
- Simultaneously, the transfer of the Orthotouch Letting Enterprises and Georgiou Letting Enterprises into the name of Accelerate, the Registered Owners will transfer the Orthotouch Land and Georgiou Land into the name of Accelerate, which is expected prior to the date of Listing.



Accelerate Property Fund Limited
(formerly Encha Prime Investments Proprietary Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2005/015057/06)
Share code: APF ISIN: ZAE000185815
("Accelerate" or "the Company")

APPLICATION FORM TO PARTICIPATE IN THE OFFER TO BE COMPLETED BY QUALIFYING INVESTORS

The definitions commencing on page 13 of the Pre-listing Statement to which this Application Form is attached, apply *mutatis mutandis* throughout this Application Form, unless the context clearly indicates otherwise.

The Offer comprises an Offer for subscription of up to 480 000 000 Shares at an issue price of between R4.88 and R5.12 per Share. The price may however be outside this range. Successful applicants will be advised of their allotment of Shares by not later than Wednesday, 4 December 2013.

Dematerialised Shares

The allocated Shares will be issued to successful applicants in Dematerialised form only. Applicants, if they have not already done so, must appoint a CSDP directly; or a broker, to receive and hold the Dematerialised Shares on their behalf. Applicants must contact their CSDP or broker and advise that they have submitted an Application Form to participate in the Offer. Applicants must further make arrangements for payment of the aggregate purchase price for such allocated Shares to the designated account notified by Accelerate in writing. Payment must be received by 12:00 on Friday, 6 December 2013. Shares will be issued to successful applicants and delivered to their CSDP or broker on the Listing date. Details of the CSDP or broker must be conveyed by successful applicants to the Bookrunners before close of business on Friday, 6 December 2013.

Applicants will only be permitted to apply for Shares with a minimum total acquisition cost, per single addressee acting as principal, of greater than or equal to R1 000 000 unless the applicant is a person, acting as principal, whose ordinary business, or part of whose ordinary business, is to deal in securities, whether as principal or agent (in reliance on sections 96(1)(a)(i) and 96(1)(b) of the Companies Act) or such applicant falls within one of the other specified categories of persons listed in section 96(1) of the Companies Act.

Successful applicants should note the provisions of section 122 of the Companies Act, which provides for a disclosure requirement in circumstances where a multiple of 5% of the issued securities of a class are acquired in a regulated company, as defined in the Companies Act.

Please refer to the instructions overleaf before completing this Application Form.

This Application Form, when completed, should be sent by email to Nick Riley (nick.riley@investec.co.za) and Tomi Amosun (tomi.amosun@investec.co.za) or hand delivered to:

Investec Corporate Finance, a division of Investec Bank Limited
2nd Floor
100 Grayston Drive
Sandown
Sandton
2196

Attention: Nick Riley/Tomi Amosun

The Application Form must be received by no later than 12:00 on Tuesday, 3 December 2013.

NO LATE APPLICATIONS WILL BE ACCEPTED

Reservation of rights

The Directors of Accelerate reserve the right to accept or refuse any application(s), either in whole or in part, or to *pro rate* any or all application(s) (whether or not received timeously) in such manner as they may determine.

The Directors of Accelerate reserve the right to accept or reject, either in whole or in part, any applications should the terms contained in the Pre-listing Statement of which this Application Form forms part and the instructions herein are not properly complied with.

To the Directors:

Accelerate Property Fund Limited

1. I/We, the undersigned, confirm that I/we have full legal capacity to contract and, having read the Pre-Listing Statement, hereby irrevocably apply for and request you to accept my/our application for the undermentioned number of Shares at the undermentioned price per Share or any lesser number that may in your absolute discretion be allotted to me/us.
2. I/We wish to receive my/our allocated Shares in Dematerialised form and will email/hand this Application Form to Nick Riley or Tomi Amosun, and will provide appropriate instructions to my/our CSDP or broker, as the case may be. I/We accept that payment in respect of this application will be made by me/us and received into the designated account notified by Accelerate in writing by 12:00 on Friday, 6 December 2013.
3. I/We understand that the Offer in terms to the Pre-listing Statement is subject to certain conditions.

Dated: _____

Signature: _____

Assisted by (where applicable): _____

Telephone number: () _____

Cellphone number: _____

Email address: _____

| | |
|--|----------------------------------|
| Name of corporate body | |
| First names in full (if individual) | |
| Postal address (preferably PO Box address) | |
| | |
| | Postal code |
| Total number of Shares applied for | (Enter figures only – not words) |
| Price offered per Share | (in cents) |

Required information must be completed by CSDP or broker with their stamp and signature affixed hereto:

| | |
|---------------------------------------|--|
| CSDP name | |
| CSDP contact person | |
| CSDP contact telephone number () | |
| CSA or bank CSD account number | |
| Scrip account number | |
| Settlement bank account number | |
| Stamp and signature CSDP broker | |

INSTRUCTIONS:

1. Copies or reproduction of this Application Form will be accepted at the discretion of the Directors of Accelerate.
2. Please refer to the terms and conditions of the Offer as set out in paragraph 2 of the Pre-listing Statement. Applicants should consult their broker, banker or other professional advisor in case of doubt as to the correct completion of this Application Form.
3. Qualifying Investors must submit only one Application Form.
4. No receipts will be issued for Application Forms.
5. All alterations to this Application Form must be authenticated by a full signature.
6. In determining the basis of allocation, the date that people committed to applying for the placement of the Shares in terms of the Offer will be taken into account.

