

**MONEYWEB HOLDINGS**

Oxford Office Park, 5 8<sup>th</sup> Street, Houghton Estate  
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**Accelerate Property Fund**

Cedar Square Shopping Centre,  
1st Floor, Cnr Willow Ave and Cedar Rd,  
Fourways,  
Johannesburg,  
2055  
7 November 2018

Dear Mr. Michael Georgiou

I am busy with an investigation into the transfers of the properties listed in the original prospectuses of the historic Highveld Syndication companies 15 to 22. Accelerate owns a number of these properties, which were acquired when Accelerate listed on the JSE in 2013.

The details of these properties are set out in Annexure 16 of the Accelerate Prelisting Statement.

I am writing a series of articles on the transfers of the various properties and hope you would consider providing answers to the following questions:

1. Why did Accelerate acquire the "Orthotouch properties" from Orthotouch, and not directly from the registered owners as described in Annexure 16 of the Prelisting Statement?
2. Mr. Nic Georgiou was a director of Orthotouch at the time of the Accelerate listing. Was the acquisition of the Orthotouch properties disclosed as related party transactions given that Messrs. Nic and Michael Georgiou are associates as defined in the Listings Requirements?
3. Annexure 16 of the Prelisting Statement lists the details of the individual acquisition transactions of the various Orthotouch properties.
  - a. Why is the "acquisition price of the current owner", as disclosed in Annexure 16 of the Accelerate Prelisting Statement, not reflected as the amounts Orthotouch paid for the properties, as is disclosed in the properties' title deeds?
  - b. Why were the Orthotouch properties not acquired at the full independent valuations disclosed in the Accelerate Prelisting Statement?
4. Why did Accelerate pay less for the Orthotouch properties than the amounts Orthotouch paid for the properties?

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5. Accelerate's biggest asset is the Fourways Mall. According to the Accelerate Pre-listing statement, Fourways Precinct owned 100% of Fourways Properties and the Fourways Development Properties. The properties were owned by Fourways Precinct, which is, in turn, was owned by the Michael Family Trust
  - a. Who are the Trustees and the Beneficiaries of the Michael Family Trust (Masters Reference TMP2502)?
  
6. In Annexure 12 of the Accelerate Prelisting Statement, details of the terms and conditions of the various acquisition transactions are set out. I have the following questions:
  - a. How much cash was paid for the individual Orthotouch properties to cancel the mortgage bonds registered against the title deeds? Please provide this information per individual property.
  - b. Who were the mortgagors in respect of the registered mortgage bonds? Please provide information per individual property.
  - c. How many Accelerate shares were issued to Orthotouch and at what price as part of the share portion of the transactions? Please provide this information per individual property.
  - d. In respect of the Orthotouch properties acquired without registered mortgage bonds, how many shares were issued as payment, and at what price? Please provide this information per individual property.
  
7. In paragraph 1.6.1 of Annexure 12 of the Prelisting Statement, the following is stated:

*"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 renouncee. 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."* (My emphasis)

  - a. Why were the shares issued as payment for the Orthotouch properties renounced to the Michael Family Trust and not retained by Orthotouch?
  - b. How many shares were renounced to the Michael Family Trust?

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- c. Who, on behalf of Orthotouch, renounced the shares to the Michael Family Trust?
  - d. Did the Michael Family Trust dispose of any of these shares since 2013? If so, please provide details of the selling price and the entity(ies) which acquired the shares.
8. I also request that you provide me with the following documents, referred to in the Accelerate Prelisting Statement:
  - a. The agreement/document through which Orthotouch renounced the shares to the Michael Family Trust.
  - b. 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;
  - c. 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;
  - d. 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;
  - e. 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,

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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.

- f. Vacancy Guarantee Agreement as defined in the Accelerate prelisting statement, 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.

Kind regards

A handwritten signature in black ink that reads "Ryk van Niekerk". The signature is written in a cursive style with a large initial 'R'.

Ryk van Niekerk  
Editor of Moneyweb  
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083 408 9477