VUNANI PROPERTY INVESTMENT FUND LIMITED

Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000157459
JSE code for LAs: VPFN
ISIN FOR LAs: ZAE000180097

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and abbreviations commencing on page 6 of this circular apply mutatis mutandis throughout this circular including this cover page.

If you are in any doubt as to the action you should take, please consult your CSDP, broker, attorney, accountant or other professional adviser.

Action required:

1. This circular is important and should be read with particular attention to page 2 entitled "Action required by VPIF unitholders" which sets out the action required of them with regard to the rights offer.
2. If you have disposed of all your linked units in VPIF, then this circular, together with the accompanying form of instruction, should be forwarded to the purchaser to whom, or the broker, agent or CSDP through whom, you disposed of your units.
3. The form of instruction enclosed with this circular is negotiable and may be traded on the JSE.
4. Letters of allocation may only be traded in dematerialised form and accordingly VPIF has issued all letters of allocation in dematerialised form.
5. Instructions on how to accept, renounce or sell all or some of the rights represented by the letters of allocation are set out in paragraph 2.4 of this circular.

VPIF does not accept any responsibility and will not be held liable for any failure on the part of CSDPs or brokers of dematerialised unitholders to notify such unitholders of the information set out in this circular.

The distribution of this circular and the accompanying form of instruction and the granting of the right to subscribe for rights offer units in certain jurisdictions other than South Africa may be restricted by law and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction.

The rights offer does not constitute an offer in any area of jurisdiction in which it is illegal to make such an offer and in such circumstances, this circular, if sent, is sent for information purposes only.

CIRCULAR TO VPIF UNITHOLDERS

relating to:

a renounceable rights offer to VPIF unitholders of 48 503 939 new linked units with a face value of R2,50 each in the issued capital of VPIF at a subscription price of 987,33 cents per linked unit. The subscription price of 987,33 cents per rights offer unit is comprised of a clean price of 938,07 cents and total pre-paid distributions of 49,26 cents. The rights offer units will be issued in the ratio of 40,21283 new linked units for every 100 linked units held in VPIF at the close of trade on Friday, 2 August 2013;

and incorporating:

Revised Listing Particulars,

and enclosing if applicable:

a form of instruction in respect of a renounceable (nil paid) letter of allocation in respect of the rights offer (for use by certificated unitholders only).

Rights offer opens at the commencement of trade on	Monday, 5 August 2013
Rights offer closes at 12:00 on	Friday, 23 August 2013

Unitholders are referred to paragraph 4.3 of this circular, which outlines the directors' responsibility in regard to this circular.

This rights offer circular incorporates Revised Listing Particulars and is issued in compliance with the JSE Listings Requirements for the purpose of providing information to the public with regard to the Company.

Corporate Adviser

Sponsor

Independent reporting accountants and auditors

Investment bank

Date of issue: 5 August 2013

Copies of this circular are available in English only and may be obtained during normal business hours between 5 August 2013 and 23 August 2013 from the registered office of the Company and the offices of the Corporate Adviser, the Sponsor and the transfer secretaries, the addresses of which are set out in the "Corporate information" section hereof. This circular will also be available on the Company's website (www.vpif.co.za) from 5 August 2013.

CORPORATE INFORMATION

Directors
PD Naidoo+ (Independent non-executive Chairman)
RF Kane* (CEO)
M de Lange* (Financial Director)
CE Chimombe-Munyoro#
EG Dube#
RR Emslie+
PW Mackenzie*
JR Macey+
PM Tau-Sekati+
KN Vundla+

* Executive
\# Non-executive
\+ Independent non-executive

Company secretary
Probity Business Services Proprietary Limited represented by Messrs N Toerien and W Mapanzure
(Registration number 2000/002046/07)

Website: http://www.vpif.co.za

Date and place of incorporation
6 June 2005 – Pretoria, South Africa

Registered office
Vunani House, Vunani Office Park
151 Katherine Street
Sandown, Sandton, 2196
(PO Box 652419, Benmore, 2010)

Corporate Adviser
Vunani Corporate Finance (trading as a division of Vunani Capital Proprietary Limited)
(Registration number 1998/001469/07)
Vunani House, Vunani Office Park
151 Katherine Street
Sandown, Sandton, 2196
(PO Box 652419, Benmore, 2010)

Sponsor
Grindrod Bank Limited
(Registration number 1994/007994/06)
Building Three
1st Floor, North Wing, Commerce Square
39 Rivonia Road (cnr. Helling Road)
Sandton, 2196
(PO Box 78011, Sandton, 2146)

Underwriter
Handful of Keys Proprietary Limited
(Registration number 1997/021534/07)
4 Lombardie Avenue
Constantia
Cape Town, 7806

Independent reporting accountants and auditors
KPMG Inc
(Registration number 1999/021543/21)
Registered Accountants and Auditors
KPMG Crescent
85 Empire Road
Parktown, 2193
(Private Bag 9, Parkview, 2122)

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

Trustees of VPIT
RF Kane
M de Lange
EG Dube
PW Mackenzie

Debenture Trustee
Fluxmans Inc
(Registration number 2000/024775/21)
11 Biermann Avenue
Rosebank, Johannesburg, 2106
(Private Bag X41, Saxonwold, 2196)

Commercial bank
First National Bank Limited
(Registration number 1929/001225/06)
Carlton Centre
Commissioner Street
Johannesburg, 2001
(PO Box 5745, Johannesburg, 2000)

Investment Bank
Investec Bank Limited
(Registration number 1969/004763/06)
2nd Floor
100 Grayston Drive
Sandown, Sandton, 2196
(PO Box 785700, Sandton, 2146)

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ACTION REQUIRED BY VPIF UNITHOLDERS

This circular is important and requires your immediate attention. The enclosed form of instruction applies to certificated unitholders only. The letter of allocation to which the form of instruction relates is negotiable and can be dealt in on the JSE.

Unitholders are referred to paragraph 2.4 of this circular, which sets out in detail the procedures to be followed by them in relation to the rights offer.

Unitholders should not construe anything in this circular as legal, business or tax advice. Unitholders who are in any doubt as to what action to take or who require advice as to whether it is legally permissible for them to accept the rights offer should consult their broker, CSDP, accountant, attorney or other professional adviser immediately.

1. IF YOU HAVE DEMATERIALISED YOUR VPIF UNITS

1.1 You will **not** receive a printed form of instruction.

1.2 Your CSDP or broker will credit your account with the number of rights to which you are entitled.

1.3 Your CSDP or broker will contact you to ascertain:

- whether or not you wish to follow your rights in terms of the rights offer and in respect of how many rights offer units; or
- if you do not wish to follow all or any of your rights:
  - whether you wish to sell your rights and how many rights are to be sold; or
  - whether you wish to renounce your rights and the details of the renouncee.

1.4 If you are not contacted by your CSDP or broker, you should contact your CSDP or broker and furnish them with your instructions. If your CSDP or broker does not obtain instructions from you, they are obliged to act in terms of the agreement entered into between you and your CSDP or broker.

VPIF does not take responsibility and will not be held liable for any failure on the part of any CSDP or broker to notify unitholders of the rights offer and/or to obtain instructions from unitholders as to whether to subscribe for the rights offer units and/or to sell and/or renounce the rights allocated and any and all such liability is hereby expressly excluded.

2. IF YOU HAVE NOT DEMATERIALISED YOUR VPIF UNITS

If you wish to subscribe for the rights offer units to which you are entitled in terms of the rights offer, you must complete the enclosed form of instruction in accordance with the instructions contained therein and lodge it, together with payment of the amount due, with the transfer secretaries by 12:00 on Friday, 23 August 2013.

If you do not wish to subscribe for all or some of the rights offer units to which you are entitled in terms of the rights offer, as reflected in the form of instruction, you may sell or renounce or lapse your rights. In such event, you must complete the relevant section of the form of instruction and return it to the transfer secretaries to be received by no later than 12:00 on Friday, 16 August 2013 if you wish to sell your rights or by 12:00 on Friday, 23 August 2013 if you wish to renounce your rights.

3. IF YOU HAVE DISPOSED OF YOUR UNITS

If you have disposed of all your VPIF units, please forward this circular to the purchaser of such units or to the broker, CSDP or agent through whom the disposal was effected.

If you are in any doubt as to what action to take, consult your CSDP, broker, attorney or other professional adviser immediately.

SALIENT DATES AND TIMES

	2013
Finalisation announcement relating to the rights offer	Monday, 22 July
Last day to trade in VPIF units in order to qualify to participate in the rights offer (cum entitlement)	Friday, 26 July
Listing of letters of allocation on the JSE under the JSE code VPFN and ISIN ZAE000180097 at commencement of trading on	Monday, 29 July
VPIF units commence trading ex-rights on the JSE at commencement of trading on	Monday, 29 July
Record date for participation in the rights offer at the close of trade on	Friday, 2 August
Rights offer circular and form of instruction posted to unitholders, where applicable	Monday, 5 August
Rights offer opens at commencement of trading on	Monday, 5 August
Dematerialised unitholders' accounts at their CSDP or broker automatically credited with their entitlement	Monday, 5 August
Certificated unitholders' entitlements will be credited to an account held with the transfer secretaries	Monday, 5 August
Last day to trade in letters of allocation on the JSE on	Friday, 16 August
Listing of VPIF rights offer units at commencement of trading on	Monday, 19 August
Rights offer closes – payments to be made and form of instruction in respect of letters of allocation lodged by certificated unitholders by 12:00 on (see notes 1 and 5 for dematerialised unitholders)	Friday, 23 August
Record date for letters of allocation	Friday, 23 August
Dematerialised unitholders' accounts updated with rights offer units to the extent accepted and debited with the relevant costs by their CSDP or broker (see note 5)	Monday, 26 August
Results of rights offer announcement released on SENS on or about	Monday, 26 August
Results of rights offer announcement published in the press on or about	Tuesday, 27 August
Dematerialised unitholders' accounts updated with excess rights offer units allocated to them and debited with the relevant costs by their CSDP or broker	Wednesday, 28 August
Unit certificates posted to certificated unitholders (including any excess rights offer units allocated to them), if applicable, on or about	Wednesday, 28 August

Notes:

1. Dematerialised unitholders are required to notify their duly appointed CSDP or broker of their acceptance or otherwise of the rights offer in the manner and time stipulated in the agreement governing the relationship between such unitholder and their CSDP or broker.
2. All times indicated are South African times unless otherwise stated.
3. Unit certificates may not be rematerialised between Monday, 29 July 2013 and Friday, 2 August 2013, both days inclusive.
4. The CSDP/broker accounts of dematerialised unitholders will be automatically credited with VPIF rights offer units to the extent to which they have accepted the rights offer. VPIF unit certificates will be posted, by registered post at the unitholders' risk, to certificated unitholders in respect of the rights offer units which have been accepted.
5. CSDPs or brokers effect payment in respect of dematerialised unitholders on a delivery versus payment method.

SALIENT FEATURES OF THE RIGHTS OFFER

THE RIGHTS OFFER

Introduction and terms of the rights offer

Unitholders were notified by way of SENS announcements dated 28 May 2013, 5 July 2013 and 12 July 2013 that the directors had resolved to raise R455 million by way of a renounceable rights offer. Accordingly, in terms of the rights offer, VPIF unitholders are offered the right to acquire 48 503 939 new linked units with a face value of R2,50 each in the issued capital of VPIF at a subscription price of 987,33 cents per linked unit, in the ratio of 40,21283 rights offer units for every 100 units held in VPIF at the close of trade on the record date.

The subscription price of 987,33 cents per rights offer unit is comprised of a clean price of 938,07 cents per rights offer unit, determined as at 4 July 2013 being the day before the declaration announcement and total pre-paid distributions of 49,26 cents per rights offer unit.

The pre-paid distributions have been calculated on the basis that the rights offer units will qualify for the full distribution in respect of the periods ending 30 June 2013 and 31 December 2013 notwithstanding the date of issue of such rights offer units and as such the subscription price includes the following pre-paid amounts ("antecedent divestiture"):

– 37,33 cents as a pre-paid distribution for the six month period from 1 January 2013 to 30 June 2013; and

– 11,93 cents as a pre-paid distribution for the 53 day period from 1 July 2013 to 23 August 2013.

The pre-paid distributions have been calculated based on the mid range of the distribution guidance published by VPIF for the periods ending 30 June 2013 and 30 June 2014 and a discount rate of 5,5% to take account of the time value of money between the rights issue payment date and the actual envisaged distribution payment dates of 23 September 2013 and 23 March 2014.

The rights offer is being underwritten whereby, in terms of the underwriting agreement, the underwriter has irrevocably undertaken to underwrite the underwritten units, being 11 141 139 rights offer units and equating to approximately R110 million at the subscription price of 987,33 cents per rights offer unit. Such agreement is on the basis that the underwriter will take up any rights offer units not subscribed for by the holders of VPIF units as at the record date.

A general meeting of the Company's unitholders was held on 30 May 2013, at which the requisite majority of unitholders voted in favour of an ordinary resolution placing a maximum of 70 million unissued units under the control of the directors for purposes of the rights offer and a special resolution was approved in terms of section 41(3) of the Act which authorised the directors to issue up to a maximum of 70 million unissued units.

The form of instruction in respect of the letter of allocation contains details of the rights to which certificated unitholders are entitled, as well as the procedures for acceptance, sale or renunciation of those rights. Dematerialised unitholders will be advised by their CSDP or broker of the rights to which they are entitled as well as the procedure for acceptance, sale or renunciation of those rights.

The JSE has approved the listing of the:

– letters of allocation from the commencement of trade on Monday, 29 July 2013 until the close of trade on Friday, 16 August 2013; and

– Rights offer units from the commencement of trade on Monday, 19 August 2013.

Upon allotment and issue, the rights offer units will rank *pari passu* in all respects with the linked units currently in issue.

Purpose of the rights offer

The proceeds of the rights offer (i.e. R455 million) will be used, inter alia, as follows:

	R'million
To settle the purchase consideration in respect of the acquisition of the Greenstone Properties of R137,909 million including an additional R7,849 million price increase of 0,75% per month from 1 April 2013 to date of anticipated transfer on or about 31 July 2013 and the existing loan in GHOP of R121,018 million and expenses of R1,108 million relating to the acquisition of the Greenstone Properties	267,884
To settle floating debt (variable interest rate debt) of approximately	179,082
Expenses relating to the rights offer of approximately	8,034

Excess applications in respect of rights offer units

VPIF unitholders will be permitted to apply for rights offer units in excess of their entitlement. (Refer paragraph 2.3.4 for further details.)

Financial effects of the rights offer

The *pro forma* consolidated financial information before and after the rights offer is set out in paragraph 2.5 of this circular.

REVISED LISTING PARTICULARS

As required in terms of paragraph 6.19(g) of the JSE Listings Requirements, this circular contains information required for Revised Listing Particulars.

COPIES OF THIS CIRCULAR

Copies of this circular, in English, may be obtained during business hours between 5 August 2013 and 23 August 2013 at the addresses set out in the "Corporate Information" section of this circular from:

- the Company;
- the Corporate Adviser and Joint Sponsor;
- the Independent Lead Sponsor; and
- the transfer secretaries.

In addition, this circular is available in electronic form on the Company's website (www.vpif.co.za).

DATE OF INFORMATION PROVIDED

Unless the context clearly indicates otherwise, all information provided in this circular is provided at the last practicable date.

DEFINITIONS AND ABBREVIATIONS

In this circular, unless otherwise stated or the context otherwise indicates, the words in the first column shall have the meanings stated opposite them in the second column and words in the singular shall include the plural and vice versa. Words importing natural persons shall include corporations and associations of persons and an expression denoting any gender shall include the other genders.

“Asset Management agreement”	the agreement dated 20 June 2011 entered into between VPIF and VPAM, in terms of which VPAM has been appointed to provide asset management services to VPIF, a copy of which agreement is available for inspection as set out in paragraph 8 of this circular;
“BBBEE Act”	the Broad-Based Black Economic Empowerment Act, 2003 (Act 53 of 2003), as amended;
“BEE”	Black Economic Empowerment as defined in the BBBEE Act;
“board” or “the directors”	the directors of VPIF as set out in the Corporate Information section of this circular;
“broker”	any person registered as a “broking member (equities)” in terms of the Rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“business day”	any day, other than a Saturday, Sunday or official public holiday in South Africa;
“Cedar Park”	Cedar Park Properties 31 Proprietary Limited (Registration number 2007/014552/07), a private company duly registered and incorporated in accordance with the laws of the RSA, and a subsidiary of VPIF;
“certificated unitholders”	unitholders who hold certificated units;
“certificated units”	units represented by a paper unit certificate or other physical document(s) of title, which units have not been surrendered for dematerialisation in terms of the Strate system;
“circular”	this circular and the Revised Listing Particulars, dated 5 August 2013, and incorporating the annexures and appendices thereto;
“clean price”	traded price of VPIF units excluding the estimated accrued distribution per linked unit for the distribution period from 1 January 2013 to 23 August 2013, being 938,07 cents;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act”	the South African Companies Act No. 71 of 2008, as amended and its Regulations;
“CSDP”	Central Securities Depository Participant, as defined in section 1 of the Financial Markets Act, appointed by individual unitholders for the purposes of, and in regard to the dematerialisation of documents of title for the purposes of incorporation into Strate;
“debenture”	an unsecured variable rate debenture in VPIF having a nominal value of R2,4975, which is indivisibly linked to one ordinary share and which is regulated in terms of the Debenture Trust Deed;
“Debenture Trust Deed”	the Debenture Trust Deed in respect of the debentures, entered into between the Company and the trustee on 20 June 2011, a copy of which Trust Deed is available for inspection as set out in paragraph 8 of this circular;
“dematerialisation”	the process by which certificated units are converted to an electronic form as uncertificated units and recorded in the sub-register of unitholders maintained by a CSDP;
“dematerialised unitholders”	unitholders who hold dematerialised units;

"dematerialised units"	units which have been incorporated into Strate and which are no longer evidenced by physical documents of title, but the evidence of ownership of which is determined electronically and recorded in the sub-register maintained by a CSDP;
"Eagle Trust"	Eagle Trust IT No. 5910/96, a trust duly established in accordance with the laws of the RSA, the trustees of which are Pieter Willem Mackenzie and Susan Penelope Mackenzie and the beneficiaries are the trustees' children;
"emigrants"	former residents of the Common Monetary Area;
"Exchange Control Regulations"	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency Exchanges Act, 1933 (Act 9 of 1933), as amended;
"executive directors"	the executive directors of VPIF, viz. RF Kane, PW Mackenzie and M de Lange;
"Financial Markets Act"	the Financial Markets Act (Act 19 of 2012);
"Foretrust Acquisition agreement"	the agreement between VPIF and Redefine Properties Limited, dated 19 October 2011, in terms of which VPIF acquired the rental enterprise business conducted in respect of the Foretrust Building;
"GHOP"	Greenstone Hill Office Park Proprietary Limited (Registration number 2006/004975/07), a private company duly registered and incorporated in accordance with the laws of RSA;
"GLA"	the gross lettable area, being the total area of a property that can be rented to a tenant;
"Greenstone Acquisition agreements"	1. Sale of Shares and Claims Agreement, dated 12 April 2013, between VPIF, Vunani Properties, Barrow Properties Proprietary Limited and the Task Trust in terms of which VPIF will the acquire the shares and loan accounts in GHOP. GHOP owns buildings 4, 5 and 10 – 15 in the sectional title schemes known as Greenstone Hill Office Park SS1149/2008 and SS599/2009 with associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng; 2. Sale of Rental Enterprise Agreement, dated 5 April 2013, between VPIF and Barrow Properties Proprietary Limited in terms of which VPIF will acquire the Barrow Rental Enterprise conducted as a going concern of buildings 2 and 6 of the sectional title scheme known as Greenstone Hill Office Park SS 1149/2008 and associated exclusive use areas, situated at Erf 1841 Greenstone Hill Extension 22 Township, Gauteng;
"Greenstone Properties"	Erven 1836 and 1837 of Greenstone Hill Ext 22 comprising Buildings 2, 4, 5, 6, 10, 11, 12, 13, 14 and 15 in the sectional title scheme SS149/2008;
"Group"	VPIF, Cedar Park and Pacific Eagle and, where applicable, VPIT;
"IFRS"	International Financial Reporting Standards;
"independent reporting accountants and auditors"	KPMG Inc. (Registration number 1999/021543/21);
"JHI"	Topeka Trading 4 Proprietary Limited (Registration number 2007/021131/07), a private company and a wholly owned subsidiary of Excellerate Holdings Limited, duly registered and incorporated in accordance with the laws of the RSA, trading as JHI and the property manager of VPIF;
"JSE"	JSE Limited (Registration number 2005/022939/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and licensed as an exchange under the Financial Markets Act;
"JSE Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"last practicable date"	Tuesday, 16 July 2013, being the last practicable date prior to the finalisation of this circular;
"listing" or "listing date"	the listing of VPIF in the "Real Estate – Real Estate Holdings and Development" sector of the JSE List on 11 August 2011;

"listing acquisition agreement"	the agreement between Vunani Properties and VPIF, dated 20 June 2011, which resulted in VPIF acquiring from Vunani Properties, the Athol Ridge Property located at 151 Katherine Street, Sandown and the entire issued ordinary share capitals of Cedar Park and Pacific Eagle;
"Ludlow Trust"	Ludlow Trust IT No. 1000/2004, a trust duly established in accordance with the laws of the RSA, the trustees of which are Robert Fletcher Kane and Lisa Adele Kane and the beneficiaries of which are the trustees and their children;
"m^2"	square metres;
"MOI"	the Memorandum of Incorporation of the Company;
"non-residents"	a person whose registered address is outside the Common Monetary Area and who is not an emigrant;
"Pacific Eagle"	Pacific Eagle Investments 204 Proprietary Limited (Registration number 2007/025771/07), a private company duly registered and incorporated in accordance with the laws of the RSA, and a subsidiary of VPIF;
"Property Management agreement"	the agreement between VPIF and JHI, dated 8 February 2011, in regard to the property management of the VPIF Portfolio;
"Record Date"	last date for VPIF unitholders to be recorded in the register in order to participate in the rights offer, being the close of trade on Friday, 2 August 2013;
"Register"	the register of certificated unitholders maintained by the Company's transfer secretaries and the sub-register of dematerialised unitholders maintained by the relevant CSDPs;
"Regulations"	the regulations in terms of the Companies Act;
"right" or "entitlement"	the entitlement to rights offer units in terms of the rights offer;
"rights offer"	a renounceable rights offer to VPIF unitholders of a maximum of 48 503 939 linked units with a face value of R2,50 each in the issued capital of VPIF, in the ratio of 40,21283 rights offer units for every 100 units held in VPIF at the close of trade on the record date at a subscription price of 987,33 cents per rights offer unit;
"rights offer unit"	a maximum of 48 503 939 new linked units to be issued in renounceable form to VPIF unitholders in terms of the rights offer;
"rights participant"	unitholder entitled to participate in the rights offer;
"Secondment agreement"	a written secondment agreement entered into between Vunani Capital, VPAM and the executive directors, in terms of which Vunani Capital seconds the services of the executive directors to VPAM, more fully dealt with in paragraph 7 of Annexure C of this circular;
"SENS"	Securities Exchange News Service of the JSE;
"share" or "ordinary share"	ordinary shares in the share capital of VPIF with a par value of R0,0025 each and linked to a debenture;
"South Africa" or "the RSA"	the Republic of South Africa;
"Strate"	the settlement and clearing system used by the JSE managed by Strate Limited (Registration number 1998/022242/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and the CSDP registered in terms of the Financial Markets Act;
"subscription price"	the price unitholders will pay per rights offer unit in terms of the rights offer, being 987,33 cents per rights offer unit, which is comprised of a clean price of 938,07 cents determined as at 4 July 2013 being the day before the declaration announcement and total pre-paid distributions of 49,26 cents;
"transfer secretaries"	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of the RSA, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107);
"trustee"	the trustee holding office as such in terms of the Debenture Trust Deed (i.e. Fluxmans Inc);

"underwriter"	the underwriter of the rights offer, namely Handful of Keys Proprietary Limited (Registration number 1997/021534/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA;
"underwriting agreement"	the written agreement dated 18 July 2013 entered into between VPIF and the underwriter in terms of which the underwriter agrees to underwrite the underwritten units, being 11 141 139 rights offer units at the subscription price, to the extent that these units are not taken up by rights offer participation;
"underwriting fee"	the amount payable by the Company to the underwriter in consideration for providing the underwriting commitment, being R2 200 000, which is 2% of the underwriting commitment;
"underwritten units"	the number of rights offer units which the underwriter is obliged to subscribe for in terms of the underwriting agreement, i.e. 11 141 139 rights offer units;
"unitholder" or "linked unitholder"	a holder of VPIF units;
"unit" or "linked unit" or "VPIF unit" or "securities"	one linked unit with a nominal value of R2,50 comprising one share which is indivisibly linked to one debenture, neither of which is capable of disposal independently of each other;
"VPAM"	Vunani Property Asset Management Proprietary Limited (Registration number 2007/028777/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA and the asset managers of VPIF and wholly owned by Vunani Properties;
"VPIF" or "the Company" or "the fund"	Vunani Property Investment Fund Limited (Registration number 2005/019302/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and whose securities are listed on the JSE and where applicable, includes VPIT;
"VPIF Portfolio" or "the Properties"	the existing properties owned by VPIF;
"VPIT"	the trustees of the Vunani Property Investment Trust, whose names are set out in the Corporate Information section of this circular and in whose favour the Master of the High Court has issued Letters of Authority under reference number IT6363/2006, and which is constituted in terms of and governed by the VPIT Trust Deed;
"VPIT Trust Deed"	the Deed of Trust registered on 3 July 2006 under Letters of Authority reference number IT6363/2006 and the Addendum thereto dated 24 June 2011, which aligns the Deed to the JSE Listings Requirements;
"Vunani"	Vunani Limited (Registration number 1997/020641/06), a public company duly registered and incorporated with limited liability in accordance with the laws of the RSA and whose securities are listed on the Alternative Exchange of the JSE;
"Vunani Capital"	Vunani Capital Proprietary Limited (Registration number 1998/01469/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA, and a wholly owned subsidiary of Vunani;
"Vunani Properties"	Vunani Properties Proprietary Limited (Registration number 2004/006730/07), a private company duly registered and incorporated with limited liability in accordance with the laws of the RSA, and a 78% owned subsidiary of Vunani; and
"ZAR"	South African Rand.

VUNANI

PROPERTY INVESTMENT FUND

VUNANI PROPERTY INVESTMENT FUND LIMITED

Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number: 1994/000732/06)
JSE code: VPF
ISIN: ZAE000157459
JSE code for LAs: VPFN
ISIN for LAs: ZAE000180097

CIRCULAR TO UNITHOLDERS

1. PURPOSE OF THIS CIRCULAR

Unitholders were notified by way of SENS announcements dated 28 May 2013, 5 July 2013 and 12 July 2013 that the directors had resolved to raise R455 million by way of a renounceable rights offer. Accordingly, in terms of the rights offer, VPIF unitholders are offered the right to acquire 48 503 939 linked units with a face value of R2,50 each in the issued capital of VPIF, in the ratio of 40,21283 rights offer units for every 100 units held in VPIF at the close of trade on the record date at a subscription price of 987,33 cents per rights offer unit.

The subscription price of 987,33 cents per rights offer unit is comprised of a clean price of 938,07 cents determined as at 4 July 2013 being the day before the declaration announcement and total pre-paid distributions of 49,26 cents. The rights offer is being underwritten, whereby In terms of the underwriting agreement, the underwriter has irrevocably undertaken to underwrite the underwritten units.

The purpose of this circular is to provide VPIF unitholders with all the relevant information relating to the rights offer in order for such unitholders to make an informed decision relating to whether or not to participate in the rights offer.

A unitholders' meeting was held on 30 May 2013 at which the directors were authorised to issue the rights offer units in terms of the Company's MOI and the Companies Act.

The circular contains Revised Listing Particulars, which are required in terms of paragraph 6.19(g) of the JSE Listings Requirements as a result of the Company issuing units pursuant to the rights offer in excess of 25% of its current units in issue.

2. THE RIGHTS OFFER

2.1 Introduction

2.1.1 In terms of the rights offer, VPIF unitholders are offered the right to acquire 48 503 939 linked units with a face value of R2,50 each in the issued capital of VPIF, in the ratio of 40,21283 rights offer units for every 100 units held in VPIF at the close of trade on the record date at a subscription price of 987,33 cents per rights offer unit.

The subscription price of 987,33 cents per rights offer unit is comprised of a clean price of 938,07 cents determined as at 4 July 2013 being the day before the declaration announcement and total pre-paid distributions of 49,26 cents.

The pre-paid distributions have been calculated on the basis that the rights offer units will qualify for the full distribution in respect of the periods ending 30 June 2013 and 31 December 2013 notwithstanding the date of issue of such rights offer units and as such the subscription price includes the following pre-paid amounts:

– 37,33 cents as a pre-paid distribution for the six month period from 1 January 2013 to 30 June 2013; and

– 11,93 cents as a pre-paid distribution for the 53 day period from 1 July 2013 to 23 August 2013.

The pre-paid distributions have been calculated based on the mid range of the distribution guidance published by VPIF for the periods ending 30 June 2013 and 30 June 2014 and a discount rate of 5,5% to take account of the time value of money between the rights issue payment date and the actual envisaged distribution payment dates of 23 September 2013 and 23 March 2014.

The clean price of 938,07 cents per rights offer unit represents a:

– 7% discount to the 30-day volume weighted average clean price of VPIF linked units listed on the JSE at the close of business on Thursday, 4 July 2013 being the last business day prior to the release of the declaration data announcement; and

– 4% discount to the closing clean price of VPIF linked units on the JSE on Thursday, 4 July 2013.

2.1.2 The form of instruction in respect of the letter of allocation contains details of the rights to which certificated unitholders are entitled, as well as the procedures for acceptance, sale or renunciation of those units. Dematerialised unitholders will be advised by their CSDP or broker of the rights to which they are entitled as well as the procedure for acceptance, sale or renunciation of those rights.

2.1.3 The JSE has approved the listing of the:

– letters of allocation from the commencement of trade on Monday, 29 July 2013 until the close of trade on Friday, 16 August 2013; and

– Rights offer units from the commencement of trade on Monday, 19 August 2013.

2.1.4 In terms of the rights offer, unitholders recorded in the Register at the record date will receive rights to subscribe for rights offer units in the ratio of 40,21283 rights offer units for every 100 units held on the record date at a subscription price of 987,33 cents per rights offer unit.

2.1.5 Upon their allotment and issue, the rights offer units will rank *pari passu* in all respects with the ordinary units that are currently in issue.

2.2 Purpose of the rights offer

The proceeds of the rights offer will be used as follows:

	R'million
To settle the purchase consideration in respect of the acquisition of the Greenstone Properties of R137,909 million including an additional R7,849 million price increase of 0,75% per month from 1 April 2013 to date of anticipated transfer on or about 31 July 2013 and the existing loan in GHOP of R121,018 million and expenses of R1,108 million relating to the acquisition of the Greenstone Properties	267,884
To settle floating debt of approximately	179,082
Expenses relating to the rights offer of approximately	8,034

2.3 Terms of the rights offer

2.3.1 Particulars of the rights offer

VPIF unitholders and/or their renouncees are hereby offered for subscription, by way of a renounceable rights offer, a total of 48 503 939 linked units with a face value of R2,50 each in the issued capital of VPIF, in the ratio of 40,21283 rights offer units for every 100 units held in VPIF at the close of trade on the record date at a subscription price of 987,33 cents per rights offer unit.

The subscription price is payable in ZAR and in full upon acceptance by certificated unitholders, or on a delivery versus payment basis by the CSDP or broker of dematerialised unitholders who have accepted the rights offer. Holders of dematerialised units who wish to accept the rights offer should ensure that the necessary funds are deposited with the relevant CSDP or broker.

VPIF unitholders recorded in the Register at the close of trade on the record date or renouncees in terms of the rights offer will be entitled to participate in the rights offer.

The letters of allocation may only be traded in dematerialised form and accordingly VPIF has issued all letters of allocation in dematerialised form.

2.3.2 Opening and closing dates of the rights offer

The rights offer will open at the commencement of trade on Monday, 5 August 2013 and will close at 12:00 on Friday, 23 August 2013.

2.3.3 Entitlement

VPIF unitholders are entitled to subscribe for the rights offer units and are referred to the table of entitlement set out in Annexure 1 to this circular in order to calculate their entitlements. The allocation of rights offer units will be such that only whole numbers of rights offer units will be issued and unitholders will be entitled to rounded numbers of rights offer units. Fractional entitlements of 0,5 or greater will be rounded up and less than 0,5 will be rounded down.

2.3.3.1 The rights of any certificated unitholders will be credited to an account in electronic form, which will be administered by the transfer secretaries on their behalf. The form of instruction reflects the number of rights offer units for which a certificated unitholder is entitled to subscribe. The procedure that the certificated unitholders should follow for the acceptance, sale or renunciation of their rights is set out in the form of instruction and in paragraph 2.4.1 below.

2.3.3.2 The rights of dematerialised unitholders will be credited to their custody accounts by their appointed CSDP or broker in electronic form. Dematerialised unitholders should contact their CSDP or broker in order to ascertain the procedures they need to follow for the acceptance, sale or renunciation of such rights.

2.3.3.3 The letters of allocation to which the form of instruction relates are negotiable and can be traded on the JSE.

2.3.4 Excess applications

VPIF unitholders will be permitted to apply for rights offer units in excess of their entitlement. Any excess applications will be allocated to applicants in an equitable manner by the Company's directors in accordance with paragraph 5.33 of the JSE Listings Requirements.

2.3.5 JSE listings

The JSE has granted the listings for the rights offer units and letters of allocation as follows:

- letters of allocation from the commencement of trade on Monday, 29 July 2013 until the close of trade on Friday, 16 August 2013; and
- Rights offer units from the commencement of trade on Monday, 19 August 2013.

2.4 Procedure for acceptance, renunciation and sale of rights

2.4.1 Certificated unitholders

The rights of any certificated unitholders will be credited to an account in electronic form, which will be administered by the transfer secretaries on their behalf. The form of instruction reflects the number of rights offer units for which a certificated unitholder is entitled to subscribe. Any instruction by certificated unitholders to accept, sell or renounce all or part of the rights offer units allocated to them may only be made by means of the form of instruction.

2.4.1.1 Acceptance

Full details of the procedure for acceptance of the rights offer by certificated unitholders are contained in the form of instruction. It should be noted that:

- acceptances are irrevocable and may not be withdrawn;
- acceptances may be made only by means of the form of instruction;
- any instruction to sell or renounce all or part of the rights offer units may only be made by means of the form of instruction;
- the properly completed form of instruction and a banker's draft or cheque in ZAR crossed "not transferable" and "or bearer" deleted in payment of the subscription price payable for the relevant rights offer units must be received by the transfer secretaries at either of the addresses referred to in paragraph 4.1.3.2 by not later than 12:00 on Friday, 23 August 2013. No late postal acceptances will be accepted;
- the form of instruction to take up the rights in question will be regarded as complete only when the cheque or banker's draft has been cleared for payment;
- such payment will constitute an irrevocable acceptance of the rights offer upon the terms and conditions set out in this circular and in the form of instruction once the banker's draft or cheque has been cleared for payment;
- if any form of instruction is not received as set out above, the rights offer will be deemed to have been declined and the right to subscribe for the rights offer units in terms of the form of instruction will lapse regardless of who holds it; and
- no acknowledgement of receipt will be given for a cheque or banker's draft received in respect of the rights offer.

2.4.1.2 Renunciation or sale of rights

- VPIF has issued the letters of allocation in dematerialised form and the electronic record for any certificated unitholders will be maintained by the transfer secretaries.
- The letters of allocation to which the form of instruction relates are negotiable and can be traded on the JSE.
- Certificated unitholders who do not wish to subscribe for all, or some of the rights offer units allocated to them as reflected in the form of instruction, may sell or renounce or lapse their rights.
- In addition, certificated unitholders who wish to sell the rights allocated to them as reflected in the form of instruction must complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein, to be received by not later than 12:00 on Friday, 16 August 2013.

- The transfer secretaries will endeavour to procure the sale of the rights on the JSE on behalf of such certificated unitholders and will remit the proceeds in accordance with the payment instructions reflected in the form of instruction, net of brokerage charges and associated expenses. Neither the transfer secretaries nor the Company nor any broker appointed by either of them will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising out of the timing of such sales, the price obtained or any failure to sell such rights. References in this paragraph to a certificated unitholder include references to the person or persons executing the form of instruction and any person or persons on whose behalf such person or persons executing the form of instruction is/are acting and in the event of more than one person executing the form of instruction, the provisions of this paragraph shall apply to them, jointly and severally.
- Certificated unitholders who do not wish to sell the rights allocated to them as reflected in the form of instruction, and who do not wish to subscribe for the rights offer units offered in terms of the form of instruction but who wish to renounce their rights, should complete the relevant section of the form of instruction and return it to the transfer secretaries in accordance with the instructions contained therein, to be received by no later than 12:00 on Friday, 23 August 2013.
- Certificated unitholders who wish to subscribe for only a portion of the rights allocated to them must indicate on the form of instruction the number of rights offer units for which they wish to subscribe.
- Certificated unitholders wishing to sell their rights will be liable to pay the transfer secretaries an amount of R131,10 (all inclusive) for trades of less than or equal to R40 000 and R131,10 plus 0,25% of the value of trades plus VAT for amounts greater than R40 000).

2.4.1.3 Payment

- Currency
  The amount due on acceptance of the rights offer is payable in ZAR.
- Payment terms
  A banker's draft drawn on a registered bank or a cheque drawn on a South African bank (either of which should be crossed and marked "not transferable" and, in the case of a cheque, with the words "or bearer" deleted) in favour of **"VPIF Limited – rights offer"** in respect of the amount due, together with a properly completed form of instruction, must be lodged by certificated unitholders and/or their renouncees by no later than 12:00 on Friday, 23 August 2013 in accordance with the instructions contained in the form of instruction and clearly marked **"VPIF Limited – rights offer"** VPIF unitholders wishing to use electronic payment methods must contact the transfer secretaries (telephone number 0861 546572) in order to obtain the relevant details.

  By hand to:

  Computershare Investor Services Proprietary Limited
  Ground Floor
  70 Marshall Street
  Johannesburg, 2001

  or sent by post, at the risk of the unitholder or renouncee concerned, to:

  Computershare Investor Services Proprietary Limited
  PO Box 61763
  Marshalltown, 2107

All cheques or banker's drafts received by the transfer secretaries will be deposited immediately for payment. In the event that any cheque or banker's draft is dishonoured, VPIF, in its sole discretion, may treat the relevant acceptance as void or may tender delivery of the relevant rights offer units to which it relates against payment in cash of the subscription price for such rights offer units. Payments received in respect of an application which is rejected or otherwise treated as void by VPIF, or which is otherwise not validly received in accordance with the terms stipulated in this paragraph, will be posted by ordinary post (without interest) by way of a cheque drawn in ZAR to the applicant concerned, at the applicant's risk on or about Wednesday, 28 August 2013. If the applicant concerned is not an VPIF unitholder and gives no address in the form of instruction, then the relevant refund will be held by VPIF, with no interest payable to the unitholder, until collected by the applicant.

– Unit certificates

  Where applicable, unit certificates in respect of rights offer units will be posted, by registered post, by the transfer secretaries, at the risk of the certificated unitholders concerned, on or about Wednesday, 28 August 2013. As VPIF uses the "certified transfer deeds and other temporary documents of title" procedure approved by the JSE, only "block" certificates will be issued in respect of rights offer units.

  Certificated unitholders receiving rights offer units in certificated format must note that such units cannot trade on the JSE until they have been dematerialised. This could take between one and ten days.

2.4.2 *Dematerialised unitholders*

2.4.2.1 *Acceptance, renunciation or sale of rights*

The CSDPs or brokers appointed by dematerialised unitholders should contact them to ascertain:

- whether the unitholder concerned wishes to follow his/her rights in terms of the rights offer (in which case CSDPs effect payment on a delivery versus payment basis) and if so, in respect of how many rights offer units;
- whether the unitholder concerned wishes to renounce their rights and if so, in respect of how many rights offer units;
- whether the unitholder concerned wishes to sell those rights which he/she does not wish to follow or renounce and if so, how many rights are to be sold.

Unitholders not contacted by their CSDPs or brokers should contact them and furnish them with their instruction. Should a CSDP or broker not obtain instructions from a dematerialised unitholder, they are obliged to act in terms of the mandate entered into between them and the dematerialised unitholder, or if the mandate is silent in this regard, not to accept the rights on behalf of such unitholder.

2.4.2.2 *Payment*

The CSDP or broker will effect payment directly on behalf of dematerialised unitholders in respect of rights followed, in ZAR, on Monday, 26 August 2013 on a delivery versus payment basis. Holders of dematerialised units who wish to accept the rights offer should ensure that the necessary funds are deposited with the relevant CSDP or broker.

2.4.2.3 *Rights offer units*

Dematerialised unitholders' accounts will be credited with the rights offer units subscribed for in terms of the rights offer, on Monday, 26 August 2013.

2.5 *Pro forma* financial information before and after the rights offer

The consolidated *pro forma* financial information before and after the rights offer, for which the directors are responsible, is provided for illustrative purposes only to show the effect of the rights offer on net asset value per unit ("NAVPU") and net tangible asset value ("NTAVPU"), less deferred tax per unit, as if the rights offer had taken effect on 31 December 2012. Because of its nature, the consolidated *pro forma* financial information before and after the rights offer may not fairly present the Company's financial position subsequent to the rights offer. The consolidated *pro forma* financial information, before and after the rights offer, has been compiled from the unaudited condensed consolidated interim results of VPIF for the six months ended 31 December 2012 and is presented in a manner consistent with the format and accounting policies adopted by VPIF and has been adjusted as set out below:

	Unaudited before the rights offer (Note 1)	***Pro forma* after the rights offer**	**% change**
NAVPU (cents) (notes 2 and 3)	742,44	782,80	5,44
NTAVPU, less deferred tax (cents) (notes 2 and 3)	811,92	843,35	3,87
Available distribution per linked unit (cents)	39,04	31,92	(18,24)
Basic earnings per linked units (cents)	37,51	30,83	(17,81)
Headline earnings per linked units (cents)	37,51	30,83	(17,81)
Number of units in issue at period end ('000)	120 618	169 122	

Notes:

1. The information as reflected in the "Unaudited – before the rights offer" column has been extracted from the Company's unaudited consolidated interim financial results for the six months ended 31 December 2012.
2. The effects relating to the NAVPU and NTAVPU are based on the following assumptions and information:
   - The rights offer was effective 31 December 2012;
   - R455 million was received pursuant to the subscription for the 48,504 million rights offer units;
   - Expenses of R8,034 million relating to the rights offer were written off against debentures and R1 108 relating to the acquisition of the Greenstone Properties was capitalised to Investment Properties;
   - The rights offer proceeds, net of transaction costs, were utilised to settle the purchase consideration for the Greenstone Properties of an aggregate amount of R267,884 million and R179,082 million of floating debt.
3. The effects relating to the Available distribution per linked unit, Basic earnings and Headline earnings per linked unit are based on the following assumptions and information:
   - The rights offer was effective 1 July 2012;
   - R455 million was received pursuant to the subscription for the 48,504 million rights offer units of which R267,884 million was utilised towards the acquisition of the Greenstone Properties and R179,082 million towards settling of floating debt at a rate of 7,64%; and
   - No account has been taken of any income and expenditure relating to the acquisition of the Greenstone Properties. The circular to unitholders in this regard includes a profit forecast relating to these properties and should be referred to.
4. The rights offer will have a continuing effect with the exception of the transaction costs.

VPIF's *pro forma* consolidated statements of financial position and comprehensive income, before and after the rights offer, are set out in Annexure 2 to this circular.

The independent reporting accountants' reasonable assurance report on the *pro forma* consolidated financial information, before and after the rights offer, is set out in Annexure 3 to this circular.

2.6 Exchange Control Regulations

The following summary is intended only as a guide and is therefore not a comprehensive statement of the Exchange Control Regulations. VPIF unitholders who are in any doubt as to the appropriate course of action to take should consult their professional advisers.

The rights offer units to be issued pursuant to the rights offer are not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations.

VPIF unitholders who are 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 follow their rights in terms of the rights offer.

Non-residents of the Common Monetary Area

In terms of the Exchange Control Regulations, non-residents, excluding former residents of the Common Monetary Area, will be allowed to:

– take up rights allocated to them in terms of the rights offer;

– purchase letters of allocation on the JSE;

– subscribe for rights offer units arising from letters of allocation purchased on the JSE; and

– purchase excess units which have been applied for in terms of the rights offer,

provided payment is received in foreign currency through normal banking channels or in Rand from a non-resident account.

In respect of VPIF unitholders taking up their rights in terms of the rights offer:

– a "non-resident" endorsement will be applied to forms of instruction issued to non-resident certificated unitholders; or

– a "non-resident" annotation will appear in the CSDP or broker's register for non-resident dematerialised unitholders.

All applications by non-residents for the above purposes must be made through a South African authorised dealer in foreign exchange. Units subsequently rematerialised and issued in dematerialised form will be endorsed "non-resident".

Where rights are sold on the JSE on behalf of non-residents, the proceeds of such sale are freely remittable through an authorised dealer in foreign exchange.

Former residents of the Common Monetary Area ("emigrants")

Where a right in terms of the rights offer falls due to an emigrant, which right is based on units blocked in terms of the Exchange Control Regulations, then only blocked funds may be used to:

– take up rights allocated to such emigrant in terms of the rights offer;

– purchase letters of allocation on the JSE;

– subscribe for rights offer units arising from letters of allocation purchased on the JSE; and

– purchase excess units which have been applied for in terms of the rights offer.

Applications by emigrants using blocked Rand for the above purposes must be made through a South African authorised dealer controlling their blocked assets. VPIF unit certificates issued pursuant to blocked Rand transactions must be endorsed "non-resident" and placed under the control of the authorised dealer through whom the payment was made.

In respect of VPIF unitholders taking up their rights in terms of the rights offer:

- A "non-resident" endorsement will be applied to forms of instruction issued to non-resident certificated unitholders; or
- A "non-resident" annotation will appear in the CSDP or broker's register for non-resident dematerialised unitholders.

Where rights are sold on the JSE on behalf of emigrants, which rights are based on an investment which is blocked in terms of the Exchange Control Regulations, the proceeds of such sales will be credited to the blocked Rand accounts of the VPIF unitholders concerned.

Non-resident and emigrant dematerialised unitholders will have all aspects relating to Exchange Control managed by their CSDP or broker.

2.7 Tax consequences

VPIF unitholders are advised to consult their professional advisers regarding the tax consequences of the rights offer.

2.8 Jurisdiction

The rights offer is being made in accordance with the Companies Act and is only addressed to persons to whom it may lawfully be made.

The distribution of this circular and/or accompanying documents and/or the transfer of the rights offer units and/or the rights to subscribe for rights offer units in jurisdictions, other than South Africa, may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. Neither this circular nor any form of instruction may be regarded as an offer in any jurisdiction in which it is illegal to make such an offer. In those circumstances, this circular and any form of instruction are sent for information purposes only.

Unitholders in such jurisdictions are responsible for providing any evidence required that they are permitted to take up their rights in accordance with the relevant procedures sent out in paragraph 4 above. If such evidence is not provided, then the entitlement will be deemed to have been declined.

2.9 Irrevocable undertakings

At the last practicable date, the following unitholders have irrevocably undertaken to take up the rights set out below in respect of the rights offer and will be paid a market-related commitment fee of 2% in this regard (refer paragraph 4.1):

Name of unitholder	Number of rights to be taken up	Percentage of rights offer
Stanlib Asset Management Limited	9 290 021	19,15
Momentum Asset Management (Pty) Limited	3 431 942	7,08
Old Mutual Investment Group (SA) (Pty) Limited	2 420 345	4,99
Nedgroup Private Wealth (Pty) Limited	1 019 170	2,10
	16 161 478	33,32

2.10 Underwriting

In terms of the underwriting agreement, the underwriter has irrevocably undertaken to underwrite the underwritten units, being 11 141 139 rights offer units and equating to approximately R110 million at the subscription price. Such agreement is on the basis that the underwriter will take up any rights offer units not subscribed for by the holders of VPIF units as at the record date, pursuant to the rights offer, provided that the maximum number of underwritten units shall be equal to 11 141 139 rights offer units.

In consideration, the underwriter will be paid the underwriting fee. The directors have made due and careful enquiry to confirm that the underwriter is able to meet its commitment in terms of the rights offer.

For the avoidance of doubt, the allocation of the underwritten units to the underwriters shall take place and rank in priority to the allocation of any excess rights offer units, being those number of rights offer units in excess of unitholders' *pro rata* entitlements to the rights offer units. The underwriter has the right but not the obligation to renounce their rights offer units, or a part thereof, to satisfy these excess applications.

2.11 Particulars of the underwriter

A market related underwriting fee of R2 200 000, being 2% of the value of the underwritten units of 11 141 139, has been agreed. The underwriting commission is payable by VPIF on the date the underwriter subscribes for units in terms of its obligation to do so as per the underwriting agreement. The underwriting fee is, in the opinion of the VPIF board, not greater than the current market rate charged by underwriters.

The statutory details of the underwriter are as follows:

Underwriter
Handful of Keys Proprietary Limited on behalf of its clients

Place and date of incorporation
Incorporated in South Africa on 10 December 1997

Registration number
1997/021534/07

Company secretary
Mazars

Registered office
4 Lombardie Avenue
Constantia
Cape Town
7806

Bankers
Nedbank

Directors
Gerard de Rauville
Angelique de Rauville

Authorised and issued share capital
120 authorised and issued shares of no par value

3. INFORMATION RELATING TO VPIF

3.1 Information contained in the Revised Listing Particulars

Information relating to VPIF in respect of the matters set out below is included in the Revised Listing Particulars forming part of this circular as follows:

Subject	**Paragraph reference in Revised Listing Particulars**
• Overview (including incorporation, history and nature of business)	Paragraphs B.1 and B.2
• Asset management	Paragraph B.3
• Information relating to VPAM	Paragraph B.3
• Fees payable to VPAM	Paragraph B.3
• Property management	Paragraph B.4
• Prospects	Paragraph B.7
• The VPIF portfolio	Paragraph C
• Adequacy of capital	Paragraph F.7
• Material changes	Paragraph J
• Major unitholders before and after the rights offer	Paragraph H
• Material contracts	Paragraph I
• Litigation statement	Paragraph K
• Corporate governance	Paragraph L
• Capital structure/issue of units during the past three years and details of changes and units in issue before and after the rights offer	Paragraph G and Annexure D
• Dividends/distributions	Paragraph F.4
• Material borrowings, commitments and contingent liabilities	Paragraph F.5
• Fixed assets acquired during the past three years	Paragraphs E.1 and E.2
• Fixed assets disposed of during the past three years	Paragraph E.3
• Financial director	Paragraph F.8
• Information relating to the directors	Paragraph D and Annexure C
• Subsidiary companies	Paragraph B.8
• Advisers' interests	Paragraph N

3.2 Unit price history

The trading history of the Company's units on the JSE from listing date is set out in Annexure 4 to this circular.

4. GENERAL

4.1 Expenses

Preliminary expenses amounting to R14,6 million were incurred during the past three years in respect of the Company's private placing and listing.

The estimated expenses relating to the rights offer, which will be settled from the proceeds of the rights offer, are set out below:

	R'000
Corporate adviser fees – Vunani Corporate Finance	1 065
Sponsor fees – Grindrod Bank Limited	80
Independent reporting accountants' fees – KPMG Inc	40
Investment bank advisory fees – Investec Bank Limited	1 065
Commitment fees – payable to the providers of the irrevocable undertakings (per paragraph 2.9)	3 032
Underwriting fee	2 200
Transfer secretaries fees – Computershare Investor Services (Proprietary) Limited	43
Printing costs – Purple Frog	120
Documentation inspection fees (JSE)	48
Listing fees (JSE)	169
Administrative costs	172
	8 034

4.2 Consents

Each of the Company's advisers, namely its corporate adviser, sponsor, investment bank, transfer secretaries, commercial bankers and independent reporting accountants have consented in writing to act in the capacities stated and to their names appearing in this circular and have undertaken not to withdraw such consents prior to the issue of this circular.

The independent reporting accountants have given and have not withdrawn their consent to the inclusion of their report in the form and context in which it is included in this circular.

4.3 Directors' responsibility

The directors of VPIF, whose names appear in the "Corporate information" section of this circular, collectively and individually, accept full responsibility for the accuracy of the information given in this circular 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 circular contains all the information required by law and the JSE Listings Requirements.

4.4 Documents available for inspection

The following documents, or copies thereof, will be available for inspection during normal business hours at the Company's registered office, from the date of issue of this circular, up to and including Friday, 23 August 2013:

- The MOI of VPIF and its subsidiaries;
- The audited financial statements for the year ended 30 June 2012, the six months ended 30 June 2011 and the year ended 31 December 2010;
- All material contracts referred to in paragraph I of the Revised Listing Particulars;
- The independent reporting accountants' report on the *pro forma* consolidated financial information before and after the rights offer, the text of which is included in this circular as Annexure 3;
- This circular, signed by or on behalf of the directors and the form of instruction;
- Copies of detailed and abridged valuation reports for the VPIF Portfolio;
- The Secondment agreement and the non-executive directors' letters of appointment;
- The advisers' letters of consent;
- Signed copies of the irrevocable undertakings;
- A signed copy of the underwriting agreement;
- A copy of the circular relating to the acquisition of the Greenstone Properties; and
- Directors' powers of attorney regarding the signature of this circular.

SIGNED AT JOHANNESBURG ON 16 JULY 2013 BY M DE LANGE ON BEHALF OF ALL THE DIRECTORS OF VPIF IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS.

M DE LANGE

TABLE OF ENTITLEMENT

The rounded number of rights offer units to which a rights participant will become entitled will be as follows:

Number of existing units held	Number of rights units to which a rights participant is entitled	Number of existing units held	Number of rights units to which a rights participant is entitled	Number of existing units held	Number of rights units to which a rights participant is entitled
1	0	35	14	69	28
2	1	36	14	70	28
3	1	37	15	71	29
4	2	38	15	72	29
5	2	39	16	73	29
6	2	40	16	74	30
7	3	41	16	75	30
8	3	42	17	76	31
9	4	43	17	77	31
10	4	44	18	78	31
11	4	45	18	79	32
12	5	46	18	80	32
13	5	47	19	81	33
14	6	48	19	82	33
15	6	49	20	83	33
16	6	50	20	84	34
17	7	51	21	85	34
18	7	52	21	86	35
19	8	53	21	87	35
20	8	54	22	88	35
21	8	55	22	89	36
22	9	56	23	90	36
23	9	57	23	91	37
24	10	58	23	92	37
25	10	59	24	93	37
26	10	60	24	94	38
27	11	61	25	95	38
28	11	62	25	96	39
29	12	63	25	97	39
30	12	64	26	98	39
31	12	65	26	99	40
32	13	66	27	100	40
33	13	67	27	1 000	402
34	14	68	27	10 000	4 021

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND STATEMENT OF COMPREHENSIVE INCOME BEFORE AND AFTER THE RIGHTS OFFER

The *pro forma* consolidated statements of financial position and comprehensive income for the six months ended 31 December 2012 before and after the rights offer and presented in a manner consistent with the format and accounting policies adopted by the Company, is set out below. The *pro forma* financial information is the responsibility of the directors of VPIF and has been prepared for illustrative purposes only, in order to provide information about the financial position of VPIF subsequent to the rights offer. Due to its nature, the *pro forma* consolidated financial information may not fairly present the Company's financial position subsequent to the rights offer.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited 31 December 2012 (Note 1) R'000	Adjustments relating to the rights offer (Note 2) R'000	Adjustments relating to the application of the proceeds of the rights offer (Note 3) R'000	*Pro forma* After the rights offer R'000
ASSETS				
Non-current assets	**1 534 207**	**–**	**267 884**	**1 802 091**
Investment property	1 520 909	–	267 884	1 788 793
Property, plant and equipment	5 799	–	–	5 799
Other non-current assets	7 499	–	–	7 499
Current assets	**44 511**	**470 856**	**(445 786)**	**69 581**
Trade and other receivables	13 514	–	1 035	14 549
Income tax receivable	47	–	–	47
Cash and cash equivalents	30 950	470 856	(446 821)	54 985
Total assets	**1 578 718**	**470 856**	**(177 902)**	**1 871 672**
EQUITY AND LIABILITIES				
Equity	**307 550**	**120**	**(18 598)**	**289 072**
Ordinary share capital	301	120	–	421
Accumulated loss	(53 616)	–	(18 598)	(72 214)
Non-distributable reserve	360 865	–	–	360 865
Debentures	587 965	446 846	–	1 034 811
Linked unitholders' interest	**895 515**	**446 966**	**(18 598)**	**1 323 883**
Other liabilities				
Non-current liabilities	**313 196**	**–**	**18 598**	**331 794**
Other financial liabilities	229 389	–	–	229 389
Deferred tax liabilities	83 807	–	18 598	102 405
Current liabilities	**370 007**	**23 890**	**(177 902)**	**215 995**
Current portion of other financial liabilities	288 196	–	(179 082)	109 114
Trade and other payables	35 977	–	1 180	37 157
Linked unitholders for distribution	45 834	23 890	–	69 724
Total liabilities	**683 203**	**23 890**	**(159 304)**	**547 789**
Total equity and liabilities	**1 578 718**	**470 856**	**(177 902)**	**1 871 672**

	Unaudited 31 December 2012 (Note 1) R'000	Adjustments relating to the rights offer (Note 2) R'000	Adjustments relating to the application of the proceeds of the rights offer (Note 3) R'000	*Pro forma* After the rights offer R'000
Units in issue at year end ('000)	120 618	48 504		169 122
Net asset value per unit (cents)	742,44	921,50		782,80
Net tangible asset value less deferred tax value per unit (cents)	811,92	921,50		843,35

1. The "Unaudited" column has been extracted from the Company's unaudited condensed consolidated interim financial results for the six months ended 31 December 2012.

2. The effects of the rights offer are based on the following assumptions and information:

   - The rights offer was effective 31 December 2012;
   - R455 million was received pursuant to the subscription for the 48,504 million rights offer units and accordingly accounted for as cash before distributing as referred to in 3 below;
   - The accrued distribution for the period 1 January 2013 to 23 August 2013, which is estimated to be 49,26 cents per linked unit at the payment date amounting to R23,89 million will be paid in addition to the clean price per unit; and
   - Expenses of R8,034 million were assumed to have been paid in cash and written off against debentures.

3. The "Proceeds" column takes account of

   - an increase in "Investment Property" of R267,884 million as a result of the acquisition of the Greenstone Properties for a total purchase consideration of R137,909 million including a purchase price increase of 0,75% per month from 1 April 2013 to date of transfer on or about 31 July 2013 of approximately R7,849 million. Debt of R121,018 million owed by GHOP to Investec Bank Limited has been assumed to have been settled in full and is included in the aggregate purchase consideration of the Greenstone Properties. Once-off transaction expenses of R1,108 million will be paid from the proceeds raised via the proposed rights issue and have been capitalised to the cost of the Greenstone Properties;
   - it is assumed that the transaction is totally equity funded by the issue of 28,559 million units in terms of a proposed rights offer at a clean price of 938,07 cents per rights offer unit;
   - included in the clean price of 938,07 cents per rights offer unit is antecedent divestiture for the period 1 July 2013 to 23 August 2013 (date of payment) which is estimated at 11,93 cents per linked unit and amounts to R5,786 million. This interest has been excluded from the *pro forma* financial effects as it has no effect on the distribution to unitholders;
   - an increase in accumulated loss of R18 598 as a result of the goodwill arising on the acquisition of GHOP that has been impaired. In terms of the SAICA guidelines, it is assumed that the transaction took place at 31 December 2012 and due to the Company not being a Real Estate Investment Trust (REIT) at that date, goodwill arose in terms of IFRS 3. As a consequence goodwill arose on the acquisition of GHOP which had no inherent value and needed to be impaired;
   - trade and other receivables, cash and cash equivalents and trade and other payables acquired on the acquisition of GHOP; and
   - the rights offer proceeds, net of transaction costs, were utilised to settle the purchase consideration for the Greenstone Properties of an aggregate amount of R267,884 million including costs and R179,082 million of floating debt.

   The rights offer will have a continuing effect with the exception of the transaction costs.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited 31 December 2012 (Note 1) R'000	Adjustments relating to the rights offer (Note 2) R'000	*Pro forma* after the rights offer R'000
Investment property income	106 949	–	106 949
Straight-line rental adjustment	5 954	–	5 954
Revenue	112 903	–	112 903
Property expenses	(37 896)	–	(37 896)
Net property income	75 007	–	75 007
Other income	52	–	52
Other operating expenses	(1 070)	–	(1 070)
Asset management fees	(3 806)	–	(3 806)
Operating profit	70 183	–	70 183
Finance income	676	–	676
Finance cost amortisation	–	–	–
Finance costs	(17 814)	6 896	(10 918)
Fair value adjustments	(4 491)	–	(4 491)
Profit/(loss) before debenture interest and tax	48 554	6 896	55 450
Distributions	(45 835)	(6 896)	(52 731)
Trust distributions – net rental income	–	–	–
Debenture interest	(45 835)	(6 896)	(52 731)
Profit/(loss) before amortisation of debenture premium	2 719	–	2 719
Amortisation of debenture premium	953	–	953
Profit/(loss) before income tax	3 672	–	3 672
Income tax expense	(3 312)	–	(3 312)
Current tax	–	–	–
Deferred tax	(3 312)	–	(3 312)
Profit/(loss) for the period	360	–	360
Total comprehensive income for the period attributable to equity holders	**360**	**–**	**360**
Units in issue ('000)	120 618	48 504	169 122
Available distribution per linked unit (cents)	39,04	14,22	31,92
Basic earnings per linked units (cents)	37,51	14,22	30,83
Headline earnings per linked units (cents)	37,51	14,22	30,83
Reconciliation of attributable income to distributable income:			
Total comprehensive income for the period attributable to unitholders	360	–	360
Debenture interest:	45 835	6 896	52 731
Amortisation of debenture premium	(953)	–	(953)
Earnings/headline earnings attributable to unitholders	45 242	6 896	52 138
Straight-line rental adjustment	(5 954)	–	(5 954)
Fair value adjustments	4 491	–	4 491
Deferred tax	3 312	–	3 312
Distributable income	**47 091**	**6 896**	**53 987**

1. The "Unaudited" column has been extracted from the Company's unaudited condensed consolidated interim financial results for the six months ended 31 December 2012.
2. The effects of the rights offer are based on the following assumptions and information:
   - The rights offer was effective 1 July 2012;
   - R455 million was received pursuant to the subscription for the 48,504 million rights offer units of which R267,884 million was utilised towards the acquisition of the Greenstone Properties and R179,082 million towards settling floating debt at a rate of 7,64%; and
   - No account has been taken of any income and expenditure relating to the acquisition of the Greenstone Properties. The circular to unitholders in this regard includes a profit forecast relating to these properties and should be referred to.

INDEPENDENT REPORTING ACCOUNTANTS' REASONABLE ASSURANCE REPORT ON THE *PRO FORMA* CONSOLIDATED FINANCIAL INFORMATION BEFORE AND AFTER THE RIGHTS OFFER

"The Directors
Vunani Property Investment Fund Limited
Vunani House
Vunani Office Park
151 Catherine Street
Sandown, Sandton, 2196

16 July 2013

Dear Sirs

REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

We have completed our reasonable assurance engagement to report ("Report") on the compilation of the *pro forma*, net asset value, net tangible asset value less deferred tax, basic earnings, headline earnings and distributable income per linked unit of Vunani Property Investment Fund Limited ("VPIF") and the *pro forma* statement of financial position and statement of comprehensive income of VPIF and the related notes, including a reconciliation showing all of the *pro forma* adjustments to the share capital, reserves and other equity items relating to VPIF, (collectively "*Pro forma* Financial Information"). The *Pro forma* Financial Information is set out in paragraph 2.5 and Annexure 2 of the rights offer circular to be issued by the VPIF on or about 5 August 2013 ("the circular").

The *Pro forma* Financial Information has been compiled by the directors of VPIF to illustrate the impact of the rights offer of 48 503 939 new units at a clean price of 938,07 cents per rights offer unit in the ratio of 40,21283 rights offer units for every 100 units held ("rights offer"), together with payment of the accrued distribution of 49,26 cents per rights offer unit for the distribution periods ending 30 June 2013 and 30 June 2014 and which the holders of the rights offer units will be entitled to, as detailed in the circular on VPIF's financial position and changes in equity as at 31 December 2012.

As part of this process, VPIF's statement of financial position and statement of comprehensive income has been extracted by the directors of VPIF from VPIF's unaudited condensed interim financial results for the six months ended 31 December 2012 ("Published Financial Information").

In addition, the directors of VPIF have calculated the net asset value, net tangible asset value less deferred tax, basic earnings, headline earnings and distributable income per linked unit as at or for the period ended 31 December 2012 based on financial information extracted from the Published Financial Information.

DIRECTORS' RESPONSIBILITY FOR THE *PRO FORMA* FINANCIAL INFORMATION

The directors of VPIF are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements of the JSE Limited and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2012 ("Applicable Criteria").

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 of VPIF on the basis of the Applicable Criteria, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus,* issued by the International Auditing and Assurance Standards Board. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors of VPIF have complied, in all material respects, with the *Pro forma* Financial Information on the basis of the Applicable Criteria.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Published 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 Published Financial Information used in compiling the *Pro forma* Financial Information.

The purpose of *Pro forma* Financial Information included in the circular is solely to illustrate the impact of the rights offer on the unadjusted Published Financial Information as if the rights offer had been undertaken on 31 December 2012 for purposes of the net asset value and net tangible asset value less deferred tax per linked unit and statement of financial position and 1 July 2012 for purposes of basic earnings, headline earnings and distributable income per linked unit for statement of comprehensive income. Accordingly, we do not provide any assurance that the actual outcome of the rights offer, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information.

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been properly compiled, in all material respects, on the basis of the Applicable Criteria involves performing procedures to assess whether the Applicable Criteria used by the directors of VPIF in the compilation of the *Pro forma* Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the rights offer and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to the Applicable Criteria; and
- The *Pro forma* Financial Information reflects the proper application of those *pro forma* adjustments to the unadjusted Published Financial Information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants understanding of the nature of VPIF and the rights offer in respect of which the *Pro forma* Financial Information has been compiled and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

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

OPINION

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the Applicable Criteria.

Yours faithfully

KPMG Inc
Registered Auditors
Per D Thompson
Chartered Accountant (SA)
Registered Auditor
Director
(Private Bag 9, Parkview, 2122)"

UNIT PRICE HISTORY

	High (cents)	Low (cents)	Volume	Value Rand)
Quarter ended December 2011	720	690	2 908 516	20 499 489
Quarter ended March 2012	775	705	16 806 263	120 278 766
Quarter ended June 2012	830	762	2 306 016	17 943 828
Quarter ended September 2012	1 028	845	6 130 559	56 720 525
Quarter ended December 2012	975	800	32 392 748	284 933 405
Quarter ended March 2013	1 060	947	1 769 491	17 683 614
Quarter ended June 2013	1 150	990	9 350 552	101 738 595
Monthly				
June 2012	830	780	750 128	5 928 872
July 2012	962	845	3 961 880	35 586 495
August 2012	1 028	960	1 403 718	13 689 329
September 2012	998	950	764 961	7 444 702
October 2012	975	830	25 519 329	226 891 589
November 2012	840	800	1 654 695	13 587 678
December 2012	960	846	5 218 724	44 454 150
January 2013	1 000	947	298 976	2 917 988
February 2013	1 000	975	1 166 822	11 554 502
March 2013	1 060	1 050	303 693	3 211 132
April 2013	1 850	1 050	2 423 964	25 016 142
May 2012	1 150	1 078	4 038 962	46 048 137
June 12	1 060	990	2 986 626	30 674 325
Daily – 2013				
3 June	–	–	–	–
4 June	1 060	1 060	1 900	20 140
5 June	1 060	1 059	4 500	47 683
6 June	1 060	1 058	12 812	135 679
7 June	–	–	–	–
10 June	1 059	1 050	22 388	235 431
11 June	1 054	1 040	5 700	59 726
12 June	1 050	1 030	6 100	62 950
13 June	1 030	1 030	2 000	20 600
14 June	1 050	1 050	1 566 446	16 447 683
18 June	1 055	1 051	11 600	122 236
19 June	–	–	–	–
20 June	1 055	1 005	202 308	2 127 175

	High (cents)	Low (cents)	Volume	Value Rand)
21 June	999	999	3 000	29 970
24 June	–	–	–	–
25 June	999	990	1 137 271	11 259 388
26 June	990	990	4 379	43 352
27 June	993	993	1 300	12 909
28 June	1 005	1000	4 922	49 405
1 July	1 005	1 005	520 282	5 228 834
2 July	1 005	1 000	52 340	525 786
3 July	1 000	1 000	581 689	5 816 890
4 July	1 002	1 000	38 843	388 496
5 July	1 051	1 051	5 900	62 009
8 July	–	–	–	–
9 July	1 075	1 075	100	1 075
10 July	–	–	300	3 225
11 July	–	–	–	–
12 July	–	–	–	–
15 July	1 075	1 075	599	6 439
16 July	–	–	–	–

VUNANI PROPERTY INVESTMENT FUND LIMITED

Approved as a REIT by the JSE
(Incorporated in the Republic of South Africa)
(Registration number 2005/019302/06)
JSE code: VPF
ISIN: ZAE000157459

REVISED LISTING PARTICULARS

(prepared and issued in terms of the JSE Listings Requirements)

The "Corporate Information" section set out on the inside front cover of this circular to which these Revised Listing Particulars are attached is incorporated herein by reference. The definitions commencing on page 6 of this circular also apply to these Revised Listing Particulars.

These Revised Listing Particulars are incorporated in the circular to unitholders and do not constitute an invitation to the public to subscribe for linked units, but are issued solely for the purpose of providing information to unitholders with regard to the Company.

These Revised Listing Particulars contain the information required in terms of the JSE Listings Requirements and have been prepared as the rights offer will result in VPIF issuing rights offer units in excess of 25% of its current units in issue.

The Revised Listing Particulars have been prepared on the assumption that an amount of R455 million is received in respect of the rights offer.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors, whose names are given in the "Corporate Information" section of this circular collectively and individually, accept full responsibility for the accuracy of the information given in these Revised Listing Particulars 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 these Revised Listing Particulars contain all information required by law, the Companies Act and the Listings Requirements.

CAPITAL STRUCTURE

At the last practicable date, the Company's capital structure was as follows:

	Number of units
Authorised – before the rights offer	2 000 000 000
Issued – before the rights offer	120 618 080
Authorised – after the rights offer	2 000 000 000
Issued – after the rights offer	169 122 019

In terms of the renounceable rights offer, VPIF unitholders are offered 48 503 939 linked units (i.e. 40% of current units in issue) with a face value of R2,50 each in the issued capital of VPIF, in the ratio of 40,21283 rights offer units for every 100 linked units held in VPIF at the close of trade on Friday, 2 August 2013 at a subscription price of 987,33 cents per rights offer unit. Upon allotment and issue, the rights offer units will rank *pari passu* in all respects with the linked units currently in issue.

Corporate Adviser

Sponsor

Independent reporting accountants and auditors

Investment bank

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A. INTRODUCTION AND PURPOSE OF THE REVISED LISTING PARTICULARS

These Revised Listing Particulars are issued in compliance with the JSE Listings Requirements as VPIF will issue 48 503 939 million new units (i.e. 40% of its current units in issue) in terms of a rights offer and are therefore for the purpose of giving information to the public with regard to VPIF and do not constitute an invitation to the public to subscribe for linked units.

The funds received in respect of the rights offer will be utilised as detailed in paragraph 2.2 of this circular.

On 12 April 2013, the Company announced that it had entered into a related-party transaction to acquire the shares and claims in GHOP and the Greenstone Properties in Greenstone Hill, Gauteng, in terms of the Greenstone Acquisition agreements, the purchase consideration being as follows:

- R86 260 281 for the Greenstone Equity, which is subject to adjustment, if any, relating to the difference between this amount and the assets and liabilities at the effective date. Greenstone Hill Office Park has an existing loan of R121 018 328 with Investec Bank Limited which will be settled from the proceeds from a proposed rights offer to be undertaken by VPIF;
- R51 649 000 for the Barrow Rental Enterprise, which will be adjusted to take into account the pro rata rentals at the effective date; and
- The purchase consideration will increase by 0,75% per month, or part thereof, in the event of a transfer date after 1 April 2013.

A circular, containing details of irrevocable undertakings in excess of 51% to vote in favour of this acquisition was posted to unitholders on 25 June 2013 and accordingly, for purposes of all property information set out in these Revised Listing Particulars, details relating to the Greenstone Properties have been incorporated, where applicable.

B. INFORMATION RELATING TO VPIF

B.1 Incorporation, history, listing and trading

The Company was incorporated in the RSA on 6 June 2005 as Sovereign Seeker Investment 85 Proprietary Limited (Registration number 2005/019302/07) and changed its name to Vunani Property Investment Fund Proprietary Limited on 7 March 2006. On 24 June 2011, the Company was converted into a public company and changed its name to Vunani Property Investment Fund Limited. The Company listed on the JSE on 11 August 2011 and details of its trading thereon since its listing date are set out in Annexure 4 to this circular. All of the Company's issued units are listed on the JSE. The Company's units are not listed on any other stock exchange nor has any application been made for a listing on any other stock exchange.

B.2 Nature of business

VPIF is a variable loan stock company with its sole assets being the Properties. Certain of the Properties are held by VPIF, while others are held by VPIT in terms of the VPIT Trust Deed. The JSE has approved these properties being held by VPIT and VPIT is fully bound by the Listings Requirements as if it were a subsidiary of VPIF, subject to there being only one beneficiary of VPIT, namely VPIF. Extracts from the VPIT Trust Deed are set out in Annexure A to these Revised Listing Particulars. The main business of the Company is the direct or indirect holding of immovable properties for investment purposes and there has been no change in this business in the last five years.

VPIF is an independent business, which is supported by its revenue earning history and has control via VPIT over the majority of its assets.

There has been no change in the trading objects or the controlling unitholders of the Company during the past five years.

VPIF does not benefit from any Government protection nor does it benefit from any investment encouragement law affecting its business.

VPIF offers investors a sectorally focused high quality portfolio comprising 28 quality properties with a wide geographical spread. Tenants' activities are spread over a wide range of industries with a predominantly national or listed bias. The properties are graded from B to A+, with the majority being A.

B.3 Management of VPIF's assets

The Fund is managed by VPAM in accordance with the terms of the Asset Management agreement, which is available for inspection as set out in paragraph 4.4 of this Circular. The VPAM management team has remained unchanged since inception in 2006 and each of the executives has substantial technical and financial skills to enable VPAM to maximise the long-term success of the fund.

The directors of VPAM are EG Dube (Chairman), RF Kane (CEO), A Judin, B Khoza and PW Mackenzie. VPAM is wholly owned by Vunani Properties. VPAM's address is Vunani House Vunani Office Park, 151 Katherine Street, Sandown.

Asset Management agreement

The Asset Management agreement is for an initial period of seven years following the listing date, renewable for subsequent five-year periods in accordance with the provisions of that agreement. In event of breach, the agreement may be terminated on the expiry of three months' written notice. In terms of the Listings Requirements, where an Asset Management agreement is entered into or renewed, such agreement cannot be entered into or renewed:

- without a majority of the votes cast by unitholders (excluding any parties or their associates who are party to or have an interest in the agreement); and
- without providing therein for the right of unitholders, in a general meeting called by them or held by the Company, to cancel the agreement at any time before its expiry date, subject to a majority of the votes cast by unitholders (excluding any parties or their associates who are party to or have an interest in the contract).

In the event that VPAM is not in default but an independent majority of the unitholders decide to terminate the Asset Management agreement, if VPAM so requires, the fund shall be obliged to purchase the VPAM business at fair market value which is defined as the asset management fee which would be payable to VPAM for the year following the date of termination, divided by the forward yield of the fund at date of termination. Further termination rights and rights of default are contained in the Asset Management agreement.

Information relating to VPAM

Name	Vunani Property Asset Management Proprietary Limited
Legal form	A private company (Registration number 2007/028777/07), duly registered and incorporated with limited liability in accordance with the laws of the RSA
Business address	Vunani House, Vunani Office Park, 151 Katherine Street, Sandown
Shareholder	Wholly owned by Vunani Properties, the shareholders of which are: Vunani – 78%, Ludlow Trust – 10%, Eagle Trust 12%
Terms of contract and remuneration	Set out above and in paragraphs 6.1 and 7 of Annexure C of these Revised Listing Particulars

Directors

Name	Professional qualifications	Relevant experience	Appointments to other listed property entities
EG Dube	MSc (Statistics) Executive MBA	Refer paragraph 1 of Annexure C of these Revised Listing Particulars	Hyprop Investments Limited
A Judin	BCom, BAcc, CA (SA)	Refer CV below	None
RF Kane	BSc (Civ) Eng, MBA	Refer paragraph 1 of Annexure C of these Revised Listing Particulars	None
BM Khoza	BCom, PG Dip (Accounting), CA (SA)	Refer CV below	None
PW Mackenzie	BSc Building Management, MBA	Refer paragraph 1 of Annexure C of these Revised Listing Particulars	None

Aphrodite Judin (36)

Business address: Vunani House Block C, Vunani Office Park, 151 Katherine Street, Sandown, Sandton, 2196.

Aphrodite joined Vunani in 2005 and initially focused on the stockbroking operations of the Group. She was appointed the financial director of Vunani in August 2010. Before joining Vunani, she was employed by Deloitte & Touche as an audit manager.

Butana Mangaliso Khoza (42)

Business address: Vunani House Block C, Vunani Office Park, 151 Katherine Street, Sandown, Sandton, 2196

Butana completed articles with KPMG Inc in 1994 and spent six months in their office in Vancouver, Canada. He then joined Southern Asset Management and later transferred to Futuregrowth, then a division of Southern Life. He left Southern Life to establish African Harvest Capital with EG Dube. Butana served in a number of senior executive roles at African Harvest Capital. He is chairman of Vunani Securities. From August 2007, Butana assumed responsibility for the development of the Vunani Group's alternative asset management products, incorporating the jointly owned Collective Investment Scheme, which houses Exchange Traded Fund products among other products and Vunani Private Equity Partners (Pty) Limited.

B.4 Property management

The management of the properties within the VPIF Portfolio is undertaken by JHI.

The original Property Management agreement with JHI was signed on 13 December 2006 and Addenda thereto have been signed, the latest of which is dated 8 February 2011. The effective date of the current agreement is 1 January 2013 and it will remain in force for one year, whereafter it will be renewed subject to continued satisfactory performance and subject to the right of either party to terminate it on three months written notice.

The Property Management agreement with JHI governs the entire VPIF Portfolio for a fee of 2,85% (excluding VAT) in respect of most of the properties, and in certain instances due to the nature of the property (e.g. a body corporate), a fee of 1% has been agreed, of gross monthly collections. However, under the umbrella of JHI, the Lion Roar and Motherwell properties are governed by separate management agreements, which are materially the same as the JHI agreement, with Ramprop, due to them being best suited to manage those assets in the areas in which they are situated.

JHI is a well-established property services company with more than a century of experience. The JHI directors are: JE Wellsted, M van der Walt and J Boshoff.

JHI's business address is: JHI Place, 2 Norwich Close, Sandton, 2196.

None of the VPIF directors have any beneficial interest, direct or indirect in JHI.

The directors of JHI do not have any beneficial interest, direct or indirect, in the VPIF Portfolio and there is no relationship between the JHI directors and any other person, where a duty in relation to that other person conflicts or may conflict with JHI and this situation prevailed over the past two years.

The property management services, sub-contracted to JHI, include but are not limited to instituting systems and procedures with a view to ensuring that:

- rental, operating costs and VAT recoveries are collected timeously and tenants' deposits are accounted for;
- all property expenses are paid timeously, including without limitation, stamp duties and relevant property taxes;
- the landlord's rights are enforced against defaulting tenants;
- the buildings on the properties are adequately insured against all relevant risks;
- routine inspections of all the buildings and properties take place with a view to ensuring the continued maintenance thereof and that authorised capital expenditures are carried out;
- tenant complaints and requirements are timeously and efficiently dealt with. Tenant complaints that are not resolved timeously are to be brought to the attention of the Fund;
- all tenants are informed of all rules, regulations and notices issued by the Fund;
- income and expenditure budgets are prepared for each property during the last three months of the preceding financial year in respect of the current budget period;
- monthly income and expenditure accounts are prepared for each property;
- lease expiries and renewals are dealt with expeditiously and anticipated vacancies are reported on and filled where possible prior to their occurrence. A rolling 12 month lease expiry table will be kept up to date comprising GLA and the Rand value of leases;
- best endeavours are made to let vacant space immediately and space which is to become vacant before leases expire;
- leases are entered into in accordance with the letting policies of the Fund from time to time and all necessary documentation in this regard is timeously prepared and executed;
- contracts are entered into with suppliers of services to buildings at competitive rates having due regard to the quality of service provided;
- the properties are generally efficiently and properly maintained;
- all secretarial and accounting services are provided; and
- all compliance matters are dealt with.

The Property Management agreement is available for inspection as set out in paragraph 4.4 of this circular.

B.5. Background

Background to the Vunani Group

The Vunani Group was established following a management buyout in 2004 by the senior executives, Ethan Dube, Butana Khoza and Mark Anderson, of the entire issued share capital of African Harvest Capital Proprietary Limited, a wholly owned subsidiary of African Harvest Limited, a company previously listed on the JSE.

Vunani was incorporated in 1997 (as a wholly owned subsidiary of African Harvest and trading under the name African Harvest Capital), specialising in BEE-related investments, corporate advisory services, private equity transactions and trading activities. It listed on the Alternative Exchange of the JSE in 2007 to raise capital and grow its financial services activities, which includes Vunani Properties.

Vunani Properties was formed in 2003, together with its senior executives Pete Mackenzie and Rob Kane, both of whom have considerable experience in all aspects of the property industry. This experience includes property construction, property development, property asset management and finance.

Background to VPIF

In 2005 Ethan Dube joined the board of Hyprop Investments Limited ("Hyprop"), South Africa's largest listed retail property fund. Through this relationship Vunani identified an opportunity to provide Hyprop with a BEE enterprise development venture while bulking up its own commercial portfolio of property assets. A win-win result for both parties as Hyprop had been contemplating a sale of a commercial office portfolio as it represented non-retail assets. The formation of VPIF was effected by combining the commercial properties owned by Vunani Properties with a commercial portfolio owned by Hyprop. At the time that this transaction was under consideration, Standard Bank Properties Proprietary Limited agreed to dispose of a portfolio of its own commercial property assets (largely incorporating bank branches in large and mid-sized towns across South Africa) to VPIF.

Since its formation the Fund has been managed by the same team at Vunani Properties. This has continued through VPAM, a wholly owned subsidiary of Vunani Properties. Rob Kane is the Chief Executive Officer of VPIF and is supported by the Vunani Properties team, in particular its Managing Director, Pete Mackenzie, and Marelise de Lange who is the Financial Director of VPIF.

The Fund has historically performed well with annual compounded capital and income growth of 38,6% to 31 December 2012. Prior to the acquisition of the Greenstone Properties, the Fund owned 28 buildings, with commercial offices comprising just over 93% of the VPIF Portfolio, and valued at R1,527 million in aggregate.

B.6 Commissions, brokers' fees, options or preferential rights in respect of units and previous offers

No commissions, discounts, brokerages or other special terms have been granted by the Company in the three years preceding the last practicable date other than the bookbuild and commitment fees paid in respect of the capital raising pursuant to the Company's listing which were disclosed in the Company's Pre-Listing Statement, and the underwriting and commitment fees payable in respect of the rights offer,

The Company, in respect of its listing, conducted a private placing via a bookbuild exercise to eligible investors by way of an:

- offer to subscribe for a maximum of 66 334 357 new VPIF units with an approximate value of R497,5 million; and
- offer for sale of 22 232 113 VPIF units with an approximate value of R166,7 million.

In terms of the private placing, the Company issued 63 594 081 units at an issue price of R7,05 each.

No simultaneous and almost simultaneous issues of units have been made by the Company.

There is no contract or arrangement, either actual or proposed, whereby any option or preferential right of any kind has been made or will be given to any person to subscribe for any units in VPIF.

No offer has been made to the public for the subscription or the sale of units in the Company during the three years preceding the last practicable date.

Details of the rights offer are set out in paragraph 2 of this circular.

B.7. Future prospects

Since inception in 2006, VPIF has continued to deliver total returns to its unitholders of circa 36% per annum. This has been achieved in some of the toughest trading conditions seen for many years. VPIF is focused on A and B+ grade commercial assets that can generate above-market yields through tight management and selective refurbishments. The clearly defined investment strategy is working well. Accordingly, the directors believe that the office market is currently near its lowest ebb, thereby creating embedded value for incoming investors. Office property rentals are expected to rise disproportionately in the medium term as the current oversupply is absorbed. The focus of the Fund will be to continue acquiring properties that enhance both the yield and the quality of the portfolio. This disciplined approach to acquisitions may dictate slightly slower growth compared with other funds but it will retain the integrity of the Fund. VPIF will continue to utilise its BEE rating to retain Government tenants and selectively acquire new Government tenanted buildings, based on sound investment fundamentals. The high proportion of single tenant and National Government or listed tenants is expected to underpin strong cash flows.

B.8 Subsidiaries

Taking GHOP into account (refer paragraph E.2.2) the Company's unlisted subsidiaries are as follows:

	Cedar Park	**Pacific Eagle**	**GHOP**
Date and place of registration:	11 May 2007 RSA	31 August 207 RSA	20 February 2006 RSA
Registration number:	2007/014552/07	2007/025771/07	2006/004975/07
Issued capital:	R1 000	R1 000	R100
Main business:	Property holding	Property holding	Property holding
Date when will become subsidiary:	On listing	On listing	On registration of transfer (expected to be on or about 31 July 2013)
Interest:	100%	100%	100%

The above companies have been or will be divisionalised into VPIF and the Company will deregister them.

VPIT is regarded as a subsidiary of VPIF. The VPIT Trust Deed was initially registered on 3 July 2006 under Letters of Authority reference number IT6363/2006 and the Addendum thereto, dated 24 June 2011. The objects of VPIT are set out in Annexure A to these Revised Listing Particulars.

C. THE VPIF PORTFOLIO

Details of the VPIF Portfolio

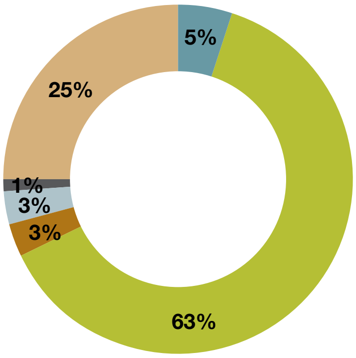
At the last practicable date, the market value of the VPIF portfolio was R1,796 million with an effective GLA of 163 166 m^2.

Detailed information relating to the VPIF Portfolio (which includes the Greenstone Properties – refer paragraph A) is set out in Annexure B to these Revised Listing Particulars. The properties held in terms of the VPIT Trust Deed are shaded in that appendix.

All graphs are based on information at the last practicable date.

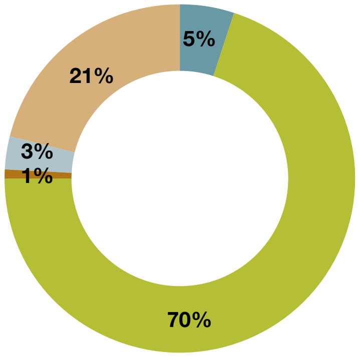
C.1 Geographic spread

The majority of the properties comprising the VPIF Portfolio are situated in Gauteng Province.



Geographic spread by GLA

- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West Province
- Northern Province
- Western Cape

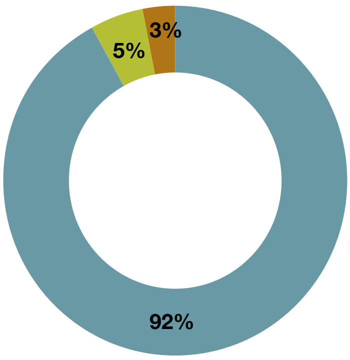


Geographic spread by revenue

- Eastern Cape
- Gauteng
- KwaZulu-Natal
- North West Province
- Northern Province
- Western Cape

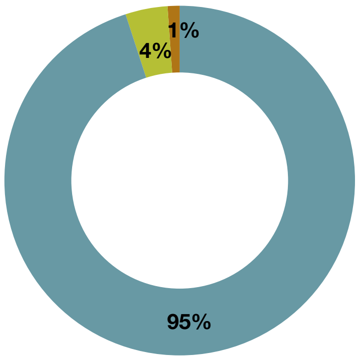
C.2 Sectoral spread

The sectoral spread of the VPIF Portfolio reflects a heavy concentration towards the office sector due to the historical focus and strategy of the fund.



Sectoral spread by GLA

- Commercial
- Retail
- Industrial



Sectoral spread by revenue

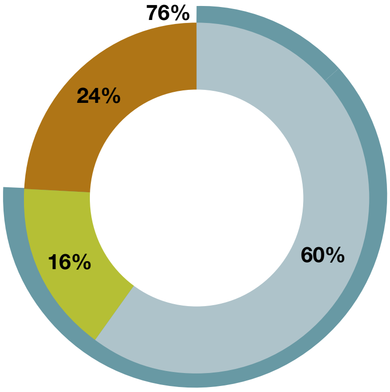
- Commercial
- Retail
- Industrial

C.3 Tenant spread

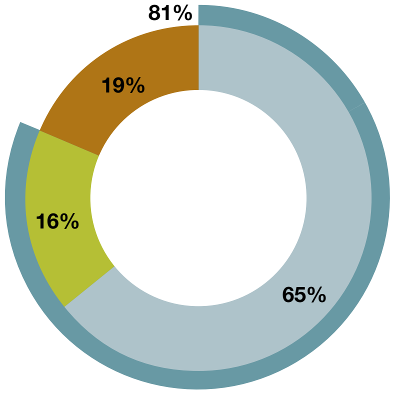
The VPIF Portfolio has a strong tenant base which is weighted toward Government, national and listed tenants, which jointly comprise 76% of GLA. The total number of tenants in the VPIF Portfolio is approximately 180.

For the graphs below the following key applies:

- "A": Government, large national tenants, listed tenants, and major franchises. These include, *inter alia*, SITA, The Compensation Commission, Vodacom Limited, The Standard Bank of SA Limited, ABSA Limited, SA Post Office, UTI SA Proprietary Limited, Independent Regulatory Board of Auditors, DHL Supply Chain SA Proprietary Limited and Airlines Association of South Africa.
- "B": National tenants, listed tenants, franchisees, and medium to large professional firms. These include, *inter alia*, Aegis BPO Holdings Limited, GOBA Limited and Pam Golding Properties Limited, Life Sense, Alliance Media.
- "C": Other comprises all other tenants that do not fall into the above categories, of which there are approximately 129 tenants.



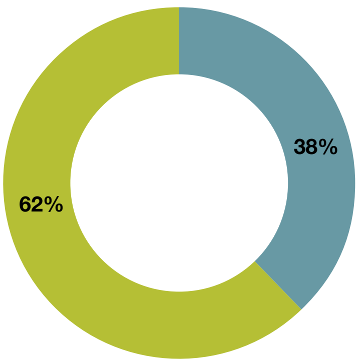
Tenant spread by GLA



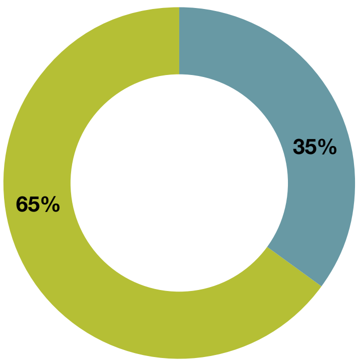
Tenant spread by monthly revenue

C.4 Single vs. multi-tenanted buildings

65% of gross income is generated from single-tenanted properties and the balance is generated from multi-tenanted properties.



Single vs. multi-tenanted by GLA

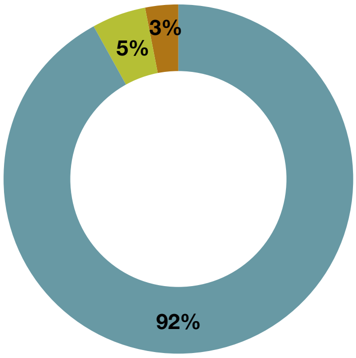


Single vs. multi-tenanted by revenue

C.5 Vacancy profile by sector

The total vacant GLA in the VPIF Portfolio amounts to 8 186m^2 or 4.7%. Vunani Properties has provided a two-year rent guarantee at market related rentals on 1,8% of the GLA in respect of vacancies in the Athol Ridge property and the Cedar Park property. Most of the vacancies in the Athol Ridge and Cedar Park properties have been filled. The directors consider this "prime" space is being marketed at realistic rentals and believe it will be let in the short term. The vendors of the Greenstone Properties have provided a one year rent guarantee at the rentals at which the existing lease expires (which is considered to be market related) on 17,1% of the Greenstone Properties GLA.

The vacancies in the VPIF Portfolio are well below the national average reported by IPD.



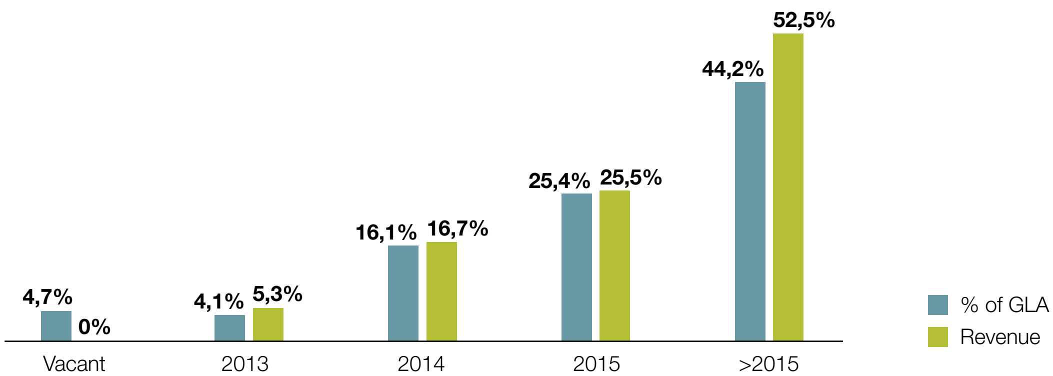
Vacancy profile by GLA

- Office
- Retail
- Industrial

C.6 Lease expiry

The lease expiry profile reflects current leases expiring as a percentage of both GLA and current income receivable for the VPIF Portfolio. Current leases include the rental guarantee from Vunani Properties as detailed in paragraph A.9. The Fund is likely to benefit from lease expiries in 2013 in respect of which upward rentals are anticipated.

Lease expiry as % of GLA and revenue



C.7 Rental escalations, rental per m^2 and average annual property yield

The weighted average rental per m^2 (excluding vacancies) for the VPIF Portfolio by sector is as follows:

- Commercial: R110,70/m^2
- Retail: R96,1/m^2
- Industrial: R33,81/m^2

The weighted average rental escalation (by GLA) for the VPIF Portfolio is:

- Commercial: 8%
- Retail: 6,1%
- Industrial: 8%

The average annual property yield at 30 June 2012 was 9,6%.

C.8 Rental guarantees

Vunani Properties has guaranteed in favour of VPIF that:

- The monthly gross rental income to accrue to VPIF in the Cedar Park property existing as at the listing date, over the two-year period immediately following the listing date, (and covering a lettable floor area of 241 m^2 as well as seven covered and 10 open parking bays) shall not be less than R27 695,00 , exclusive of VAT thereon for the first year and R29 910,60 for the second year; and
- The monthly gross rental income to accrue to VPIF in the Athol Ridge property, existing as at the listing date, over the two-year period immediately following the listing date and covering a lettable floor area of 1 593 m^2, 61 covered, eight shaded and 37 open parking bays, as well as three stores, shall not be less than R222 680,00, exclusive of VAT thereon for the first year and R240 494,40 for the second year.

The vendors of Greenstone Properties have guaranteed the rental in respect of Buildings 5 and 15 and for a certain tenant in Building 13 in respect of GHOP and in respect of Buildings 2 and 6 in respect of Barrow Properties Proprietary Limited for a period of 12 months from the effective date (expected to be on or about 31 July 2013).

D. INFORMATION RELATING TO THE DIRECTORS

Details relating to the directors of the Company are set out in Annexure C to these Revised Listing Particulars, which contains, *inter alia*, the following information:

- Full personal details;
- Appointment and remuneration in terms of the MOI;
- Directors' interests in the Company's units; and
- Directors' declarations.

E. MATERIAL ACQUISITIONS AND DISPOSALS

E.1. Properties acquired at listing

The following acquisitions were effected in terms of the Listing Acquisition agreement, as part of an internal restructuring within the Vunani Group and resulted in VPIF acquiring three A+ grade quality, well located properties, with long leases with blue chip tenants from Vunani Properties with effect from the listing date:

- VPIF acquired the entire issued ordinary share capital of Cedar Park Properties 31 Proprietary Limited, which owns the Cedar Park property, as a going concern, based on the aggregate net asset value thereof, for R3,9 million;
- VPIF acquired the entire issued ordinary share capital of Pacific Eagle Investments 204 Proprietary Limited, which owns the Loop Street property, as a going concern, based on the aggregate net asset value thereof for R13 million; and
- VPIF acquired the Athol Ridge property as a going concern for an aggregate amount of R104,4 million.

The VPIF directors' interests in the above properties at date of acquisition were as follows:

- PW Mackenzie had, through the Eagle Trust, a 12% interest in Vunani Properties, which in turn owned 100% of Athol Ridge, Cedar Park and Pacific Eagle;
- RF Kane had, through the Ludlow Trust, a 10% interest in Vunani Properties, which in turn owned 100% of Athol Ridge, Cedar Park and Pacific Eagle;
- EG Dube had, through the END Trust, a 24,6% interest in Vunani, which in turn owned 78% of Vunani Properties, which in turn owned 100% of Athol Ridge, Cedar Park and Pacific Eagle; and
- CE Chimombe-Munyoro had, through the Anbesa Investment Trust, a 0,2% interest in Vunani, which in turn owned 78% of Vunani Properties, which in turn owned 100% of Athol Ridge, Cedar Park and Pacific Eagle.

E.2 Details of acquisitions during the past three years

Table 1 – Information relating to material acquisitions during the past three years

Name of property	Effective date of acquisition	Nature of interest	Goodwill	Settlement of consideration/ loans incurred to finance	Independent valuation R'000
Properties acquired at listing					
Cedar Park	11.08. 2011	Acquired the entire issued share capital as a going concern	R1,190 million being the difference between the net asset value and the cost of the asset	R3,9 million for the shares and claims Vendor settled via funds raised at listing	R17 700 Valuation at 01.01.2011
Pacific Eagle	11.08. 2011	Acquired the entire issued share capital as a going concern	No	R13 011 million for the shares and claims. Vendor settled via funds raised at listing	R37 100 Valuation at 01.01.2011
Athol Ridge	11.08. 2011	Acquired the property	No	R104,4 million Vendor settled via funds raised at listing	R105 500 Valuation at 01.01.2011
Lion Roars**	06.12.2011	Acquired the property	No	R52,1 million Existing bank facilities utilised to settle vendor in cash	R52 100 Valuation at 01.12.2011
Mabe**	06.12.2011	Acquired the property	No	R24 million Existing bank facilities utilised to settle vendor in cash	R24 000 Valuation at 01.12.2011

Name of property	Effective date of acquisition	Nature of interest	Goodwill	Settlement of consideration/ loans incurred to finance	Independent valuation R'000
Xstrata**	15.12.2011	Acquired the property	No	R29 million Existing bank facilities utilised to settle vendor in cash	R28 982 Valuation at 01.12.2011
Foretrust Building*	14.02.2012	Acquired the property	No	R249,5 million Existing bank facilities utilised to settle vendor in cash	R251 000 Valuation at 01.01.2012
Brickfield Road	07.08.2012	Acquired the property	No	R20 million Existing bank facilities utilised to settle vendor in cash	Not obtained at acquisition
The Business Centre**	06.11.2012	Acquired the property	No	R64,5 million Existing bank facilities utilised to settle vendor in cash	Not obtained at acquisition
Greenstone Properties***	Date of transfer – expected to be on or about 31 July 2013	Acquired the shares and claims of GHOP and the Greenstone Properties	Goodwill of R18,598 million arose on acquisition but was immediately impaired as the Company is not registered as a Real Estate Investment Trust	R266,7 million Vendors to be settled via the proceeds raised via a rights offer. (Refer paragraph E.2.2 for split in consideration)	R273 000 Valuation at 01.04.2013

* Category 1 transaction in terms of the JSE Listings Requirements – circular sent to unitholders dated 20 December 2011.

** Category 2 transactions in terms of the JSE Listings Requirements.

*** Related party acquisition – circular sent to unitholders dated 25 June 2013.

Table 2 – Details relating to the vendors

Name of property	Name and address of vendor/s	Normal warranties provided for in relevant agreements and no guarantee of book debts	Preclusion from carrying on business or any other restrictions imposed/ Promoter involved or cash or securities paid/given to a promoter	Liability for accrued taxation
Properties acquired at listing				
Cedar Park	Cedar Park 151 Katherine Street Sandown	Normal warranties and rental guarantee (refer para. C.8)	No	None
Pacific Eagle	Pacific Eagle 151 Katherine Street Sandown	Normal warranties	No	Taken into account in arriving at the purchase consideration
Athol Ridge	Athol Ridge 151 Katherine Street Sandown	Normal warranties and rental guarantee (refer para. C.8)	No	None
Lion Roars	Hobbes Holdings (Pty) Limited 144 Main Road Walmer Port Elizabeth	Normal warranties	No	None
Mabe	Lizard Creek Properties (Pty) Limited Block C 21 Cascade Crescent Cascades, 3202	Normal warranties	No	None
Xstrata	Trustees of the Michael Viljoen Trust and RCV Projects CC 19 Fairlead Way Sparrebosch Knysna	Normal warranties	No	None
Foretrust Building	Redefine Properties Limited Redefine Place 2 Arnold Road Rosebank	Normal warranties	No	None
Brickfield Road	Wilerowen (Pty) Limited 5 Brickfield Road Salt River	Normal warranties	No	No

Name of property	Name and address of vendor/s	Normal warranties provided for in relevant agreements and no guarantee of book debts	Preclusion from carrying on business or any other restrictions imposed/ Promoter involved or cash or securities paid/given to a promoter	Liability for accrued taxation
The Business Centre	Money Box Investments 84 (Pty) Limited 377 Rivonia Boulevard Sandown	Normal warranties	No	No
Greenstone Properties	GHOP Emerald Boulevard Lethabond Gauteng Barrow Properties (Pty) Limited 101 Central Street Houghton	Normal warranties and rental guarantee (refer para. C.8)	No	No

With the exception of Greenstone Properties above, the assets acquired have been transferred into the Company's name as set out in Table 1 above and none of these assets have been ceded/pledged.

Net asset value reconciliation relating to the acquisition of subsidiaries

R million	Cedar Park	Pacific Eagle	GHOP
Net assets acquired	4,8	13,8	67,7
Goodwill	1,2	–	18,6
Gain on bargain purchase	–	0,8	–
Cost of investment	6,0	13,0	
Purchase consideration	3,9	13,0	86,3

The table above only deals with the subsidiary GHOP. The above net asset value can be reconciled as follows to the purchase consideration of R267,9 million:

R million	GHOP
Net assets acquired – GHOP (see above)	86,3
Rental enterprise acquired from Barrow Properties	51,7
Purchase price adjustment	7,8
Expenses relating to the acquisition of the Greenstone Properties	1,1
Outstanding debt in GHOP to be settled	121,0
Purchase consideration	267,9

E.3 Disposals during the past three years

There have been no disposals of assets by the Company during the three years preceding the last practicable date.

F. FINANCIAL INFORMATION

All the financial information set out in these Revised Listing Particulars is the responsibility of the directors.

F.1 Financial year end

The financial year end of the Company is June each year.

F.2 Audited historical financial information

Copies of the audited financial statements of VPIF for the year ended 30 June 2012, the six months ended 30 June 2011 and the year ended 31 December 2010 are available for inspection at set out in paragraph 4.4 of this circular. No adjustments have been made to these published results and the relevant audit reports for those periods were issued without qualification.

Extracts from the audited historical financial information of the Company for the year ended 30 June 2012, the six months ended 30 June 2011 and the year ended 31 December 2010 are set out in Annexure H to these Revised Listing Particulars.

F.3 Unaudited *pro forma* consolidated statements of financial position and comprehensive income before and after the rights offer

The unaudited *pro forma* consolidated statements of financial position and comprehensive income before and after the rights offer are set out in Annexure 2 to this circular.

F.4 Dividend and distribution policy

VPIF has not declared any dividends to date. Since its listing, the Company has made the following interest payments in respect of the debentures:

- 27 cents per linked unit for the six months ended 31 December 2011 to all linked unitholders registered in the Register on Thursday, 5 April 2012;
- 33,97 cents per linked unit for the six months ended 30 June 2012 to all linked unitholders registered in the Register on Friday, 12 October 2012; and
- 38,0 cents per linked unit for the six months ended 31 December 2012 to all linked unitholders registered in the Register on Friday, 22 March 2013.

The directors do not intend to declare dividends but intend to make bi-annual interest distributions in respect of the debenture portion of the units for the periods ended June and December each year.

REIT status has been granted by the JSE, whereby the current linked unit structure will be aligned to an all equity structure and post such alignment, dividends will be distributed.

In terms of the MOI, all units rank equally for distribution.

The Company:

- may make distributions from time to time, provided that:
  - any such distribution:
    - is to be payable to unitholders registered as such at a date subsequent to the date of declaration or date of confirmation of the distribution, whichever is the later;
    - is pursuant to an existing legal obligation of the Company, or a court order; or
    - has been authorised by the board, by resolution and, save in the case of a *pro rata* payment to all unitholders (except one which results in shareholders holding shares in an unlisted entity) or cash dividends paid out of retained income or capitalisation issues or scrip dividends incorporating an election to receive either capitalisation shares or cash, it has been sanctioned by ordinary resolution;
    - made by the Company in general meeting, is not larger than that declared by the directors;

– it reasonably appears that the Company will satisfy the solvency and liquidity test in the Act immediately after completing the proposed distribution;

– the board, by resolution, has acknowledged that it has applied the solvency and liquidity test in the Companies Act and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and

– no obligation is imposed, if it is a distribution of capital, that the Company is entitled to require it to be subscribed again;

must before incurring any debt or other obligation for the benefit of any holders, comply with the relevant requirements in clause 1.1.1 of the Debenture Trust Deed, and

must complete any such distribution fully within 120 (one hundred and twenty) business days after the acknowledgement referred to in clause 1.1.1 of the Debenture Trust Deed, failing which it must again comply with the aforegoing.

All unclaimed:

- monies (including, but not limited to distributions other than dividends) due to holders shall be held in trust indefinitely until lawfully claimed; and
- dividends (but not any other distribution which shall be held by the Company until lawfully claimed) remaining unclaimed for a period of not less than 3 (three) years from the date on which it became payable may be forfeited by resolution of the directors for the benefit of the Company.

The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed distributions, to any one of the Company's bankers from time to time.

There is no arrangement under which future dividends or interest distributions will be waived or agreed to be waived.

F.5 Material borrowings, commitments and contingent liabilities

Details of the material borrowings in respect of the Company are set out in note 15 to Annexure H to these Revised Listing Particulars.

The Company has the powers and capacity of an individual save to the extent that a juristic person is incapable of exercising any such power, or having any such capacity.

Save to the extent otherwise permitted by the Companies Act, the unitholders may not ratify any action by the Company or the directors that is inconsistent with any such limit, restriction or qualification applicable to such action.

The Company may do anything which the Companies Act empowers a company to do, if so authorised by its MOI and the Listings Requirements.

No exchange control or other restrictions have been imposed on the Company's borrowings since the Company's incorporation.

At the last practicable date, VPIF had not undertaken any off-balance sheet financing.

Inter-company loans at 30 June 2012 were as follows:

Name of company	Amount of loan	Interest paid
VPIT	R474 875 million	R58 790 million
Cedar Park	R23 642 million	R1 153 million
Pacific Eagle	R33 065 million	R1 856 million

At the last practical date, VPIF had no material lease payments or contingent liabilities. Details of commitments are set out in note 28 to Annexure H.

F.6 Material loans receivable

VPIF does not have any material loans receivable outstanding at the last practicable date.

F.7 Capital adequacy

The directors are of the opinion that the working capital available to VPIF, subsequent to the rights offer, is adequate for its current requirements, i.e. for a period of 12 months from the date of this circular and that:

- VPIF and VPIT will be able, in the ordinary course of business, to pay their debts;
- the assets of VPIF and VPIT will be in excess of their liabilities, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;
- the working capital of VPIF and VPIT will be adequate for ordinary business purposes; and
- the share capital and/or reserves are adequate for the ordinary business purposes of VPIF and VPIT.

F.8 Audit Committee and Financial Director

The Company has appointed an Audit Committee, which comprises:

RR Emslie *(Chairman)*
JR Macey
K Vundla.

In terms of the JSE Listings Requirements, the Company has an executive financial director, Ms M de Lange, appointed with effect from the date of the Company's listing and the Audit Committee has satisfied itself of the appropriateness of her experience and expertise.

F.9 Other

Other than the indebtedness of VPIF to unitholders in respect of the debentures, VPIF has no other loan capital.

The Company has the powers and capacity of an individual, save to the extent that a juristic person is incapable of exercising any such power, or having any such capacity. Save to the extent otherwise permitted by the Act, the unitholders may not ratify any action by the Company of the directors that is inconsistent with any such limit, restriction or qualification applicable to such action. The Company may do anything which the Act empowers a company to do, if so authorised by its MOI and the Listings Requirements.

There are no restrictions on the borrowing powers of the directors of the Company in the MOI. No Exchange Control or other restrictions have been imposed on the Group's borrowings since its incorporation.

At the last practicable date, VPIF had not undertaken any off-balance sheet financing.

G. CAPITAL STRUCTURE

Information relating to the capital structure of the Company, before and after the rights offer, is set out in Annexure D to these Revised Listing Particulars.

H. MAJOR UNITHOLDERS

Prior to the Company's listing and since 2005, Vunani Properties owned 50,2% and Hyprop owned 49,8% of the issued unit capital of VPIF. Major beneficial unitholders holding 5% or more of the Company's units in issue, at the last practicable date, before and after the rights offer are as follows:

	Before the rights offer	**After the rights offer**	
	Number of units	**Number of units**	**%**
Coronation Asset Managers (Pty) Limited	35 522 429	49 627 590	29,5
Stanlib Asset Management Limited*	23 102 134	32 375 474	19,2
Old Mutual Investment Group (SA) (Pty) Limited*	11 467 760	13 857 706	8,2
Government Employee Pension Fund	9 360 380	13 077 177	7,8
Investment Solutions Limited	8 808 743	12 306 498	7,3
Momentum Asset Management (Pty) Limited*	8 534 447	11 923 285	7,1
Investec Limited	6 328 580	8 841 517	5,2

* Refer paragraph 2.9 of this circular which reflects major unitholders who have provided the Company with irrevocable undertakings to take up rights in terms of the rights offer. It has been assumed for purposes of the above table that the remainder of the major unitholders will also take up their rights in terms of the rights offer.

The rights offer will not result in any change of control.

I. MATERIAL CONTRACTS

At the last practicable date, material contracts entered into by VPIF during the two years preceding the last practicable date, other than in the ordinary course of the business carried on by VPIF are as follows:

- the Greenstone Acquisition agreements (refer "Definitions");
- the Foretrust Acquisition agreement (refer "Definitions");
- the Sales of Enterprise Agreements in respect of the acquisition of:
  - Erfs 11322 and 1698, Walmer, Port Elizabeth, known as "The Lion Roars";
  - a building situated on 87 Ridder Street, Xstrata, Rustenburg, known as the "Xstrata property";
  - a two storey office block situated on 12 Kgwebo Street, Mabe Park Rustenburg, known as the "Mabe property"; and
  - Erf 155, Edenburg, Gauteng, known as "The Business Centre";
- the Listing Acquisition agreement (refer Definitions");
- the Asset Management agreement;
- the Property Management agreement;
- the VPIT Trust Deed; and
- the Debenture Trust Deed.

At the last practicable date, no other material contracts had been entered into which contain an obligation or settlement that is material to VPIF.

VPIF has not entered into any promoters' agreements during the three years preceding the last practicable date.

At the last practicable date, the Company had not entered into any agreement relating to the payment of technical, administration or secretarial fees nor is it a party to any material restraint of trade payments, other than as set out in paragraph 7 of Annexure C of these Revised Listing Particulars, or any agreements in terms of the payment of royalties.

The abovementioned agreements are available for inspection as set out in paragraph 4.4 of this circular.

J. MATERIAL CHANGES

The directors report that, other than in terms of this circular, there have been no material changes in the financial or trading position or the assets and liabilities of the Group between 31 December 2012, the date of the latest published financial information, being the unaudited condensed consolidated results at that date, and the last practicable date.

K. LITIGATION STATEMENT

There are no legal or arbitration proceedings against the Company or the enlarged Group, nor, to the best of the knowledge of its directors, are there any legal or arbitration proceedings pending or threatened against the Company or the enlarged Group, which may have or have, during the 12 months preceding the last practicable date, had a material effect on its financial position.

L. CORPORATE GOVERNANCE

The directors endorse the Code of Corporate Practices and Conduct as set out in King III. By supporting this Code, the directors have recognised the need to conduct the affairs of the Company with integrity and in accordance with generally accepted corporate practices. The directors recognise that they are ultimately responsible for the financial performance of the Company. The steps taken to comply with King III are set out in Annexure G to these Revised Listing Particulars.

M. MOI

The relevant provisions of the MOI of VPIF relating to:

- the appointment, term of office and qualification of the directors;
- remuneration of the directors, including any powers enabling directors, in the absence of an independent quorum, to vote remuneration (including pension and other benefits) to themselves or any members of their board;
- the power of a director to vote on a proposal, arrangement or contract in which he is materially interested

are set out in Annexure F to these Revised Listing Particulars.

N. ADVISERS' INTERESTS

None of the advisers, as set out in the "Corporate Information" section of this circular, hold any units or have agreed to acquire any units in VPIF.

O. CONSENTS

Each of the independent reporting accountants and auditors, corporate adviser, transfer secretaries, sponsor, investment bank and the commercial banker have given and have not, prior to the last practicable date, withdrawn their written consent to the inclusion in these Revised Listing Particulars of their names and, where applicable, their reports, in the form and context in which they appear.

P. EXPENSES

The expenses relating to the rights offer are set out in paragraph 4.1 of the circular.

Q. DIRECTORS' RESPONSIBILITY STATEMENT

The directors' responsibility statement is set out on the cover page of these Revised Listing Particulars.

R. DOCUMENTS AVAILABLE FOR INSPECTION

The documents available for inspection are set out in paragraph 4.4 of this circular of which these Revised Listing Particulars form part.

SIGNED AT JOHANNESBURG ON 16 JULY 2013 BY M DE LANGE ON BEHALF OF ALL THE DIRECTORS OF VPIF IN TERMS OF POWERS OF ATTORNEYS SIGNED BY SUCH DIRECTORS.

M DE LANGE

SALIENT FEATURES OF THE VPIF TRUST DEED

INTRODUCTION

On 11 May 2006, VPIF and Java Capital Trustees and Sponsors Proprietary Limited ("Java" and/or "the Trustee") established a discretionary trust known as the Vunani Property Investment Trust ("the Trust") in terms of a written deed of trust ("Trust Deed"). On 3 July 2006, the Master of the High Court (Transvaal Provincial Division) issued Letters of Authority in favour of the Trustee under reference number IT6363.2006.

An Addendum to the Trust Deed was entered into on 24 June 2011 ("the Addendum").

Salient extracts from the VPIT Trust Deed and the Addendum are as set out below:

Interpretation:

"beneficiaries"	means VPIF and any subsidiary from time to time of VPIF to whom the Trustees may elect to make any award or distribution;
"capital beneficiary"	means such beneficiary to whom the Trustee, in its discretion, effects an award out of the capital of the Trust pursuant to clause 7 below and the phrase "capital beneficiaries" means all such capital beneficiaries;
"income beneficiary"	means such beneficiary to whom the Trustee, in its discretion, effects an award out of the net income of the Trust in accordance with clause 7 below and the phrase "income beneficiaries" means all such beneficiaries;
"net capital gain"	means, in respect of any financial year, the excess of the aggregate realised capital gains derived by the Trust over the aggregate realised capital losses suffered by the Trust which losses may in terms of prevailing tax laws be applied so as to reduce the extent of any capital gain;
"net income"	means the net income of the Trust as defined in clause 8.2;
The "Statutes"	means the Trust Property Control Act 1988 (as amended or substituted from time to time), the Companies Act 2008 (as amended or substituted from time to time) and any other South African statute applicable to trusts from time to time.

4. OBJECTS OF THE TRUST

4.1 The investment object of the Trust is to acquire and hold for long-term investment purposes immovable property and to conduct letting businesses in respect thereof for the benefit of the beneficiaries.

4.2 Subject to the Trustee being satisfied that it is in the interests of the beneficiaries to do so, it is the intention that the Trustee will:

4.2.1 in any one financial year distribute the net capital gain to VPIF on the basis set out in clause 7.1; and

4.2.2 pay all net income derived by the Trust from the VPIF Portfolio to the income beneficiary/ies on the basis set out in clause 7.2.

4.3 Any material change in the Trust's objects shall constitute an amendment of the Trust Deed and shall be subject to the provisions of clause 16.

6. REMUNERATION AND REIMBURSEMENT OF EXPENSES

6.1 The Trustee shall be entitled to remuneration at market-related rates for performance of its duties as such in such amount as may be approved of by the founder (which approval shall not be unreasonably withheld or delayed).

6.2 The Trustee shall be reimbursed for all expenses incurred by it for or for the benefit of the Trust.

7. BENEFICIARIES

7.1 Capital beneficiary

7.1.1 The capital beneficiary/ies shall be discretionary beneficiaries of the Trust. The Trustee shall not be under any obligation to make any award to the capital beneficiary/ies or any of them (save only as contemplated in clause 7.1.4 below).

7.1.2 A capital beneficiary shall have no rights of any nature against the Trust or the Trustee of the assets of the Trust, save in respect of the payment of any award made by the Trustee to such capital beneficiary pursuant to the exercise by the Trustee of its discretion in favour of such capital beneficiary and then only strictly in accordance with the terms of such award.

7.1.3 Any award to the capital beneficiary shall only be made from the capital of the Trust.

7.1.4 The Trustee shall by not later than the last day in any financial year distribute the net capital gain, if any, to the capital beneficiary/ies.

7.2 Income beneficiaries

The income beneficiaries shall be discretionary income beneficiaries of the Trust. The Trustee shall not be under any obligation to make any award to the discretionary income beneficiaries or any of them.

7.3 Subject to the provisions of clause 7.1.4 and 8.3, the Trustees shall be entitled to determine, as they in their absolute discretion shall consider fit:

7.3.1 to what extent the net income and the trust capital should be distributed to beneficiaries;

7.3.2 to what extent receipts should be treated as income and to what extent they should be treated as capital;

and generally to decide *inter alia*, by apportioning or allocating receipts, accruals and expenditure in such manner as they see fit, any difficulty which may arise as to what constitutes "capital" and as to what constitutes "income", to treat any periodic receipts as income (although received from wasting assets) without being required to make provision for the amortisation thereof and any determination made by the Trustees in terms of this clause 7.3 shall be final and binding and not open to challenge by anyone."

8. NET INCOME

8.1 All costs and expenses lawfully incurred by the Trustee in connection with the administration of the Trustee including, but without limitation:

8.1.1 any expenses incurred in running the Trust;

8.1.2 interest payable by the Trust on any loans advanced to the Trust, including but without limitation in respect of the founder loan;

8.1.3 if for any reason the Trustee is at any time required to furnish security, the costs from time to time of furnishing security;

8.1.4 the trustee's remuneration; and

8.1.5 any income tax or other tax that may become payable by the Trustee in its representative capacity in respect of the income of the Trust,

shall be paid by the Trustee out of the income of the Trust except to the extent that the Trustee, in its discretion and in consultation with the auditors allocates any such costs and expenses to the Trust capital or that the income of the Trust is inadequate for the purposes, in which case the Trustee may use the Trust capital for those purposes.

8.2 The balance of the income remaining after the provisions of clause 8.1 have been given effect to (which is the "net income"), if any, shall be available for distribution by the Trustee to the income beneficiaries in accordance with the provisions of clause 7.2 of the Trust Deed.

8.3 Where income of the Trust is at any time derived from different sources or is of different kinds, the Trustee shall be entitled for the purpose of or in allocating, distributing or applying any part of that income, to identify its source or sources and its nature and to allocate or distribute or apply it as income derived from the source or sources and of the nature so identified.

9. APPOINTMENT OF AND LOSS OF OFFICE BY TRUSTEE

9.1 There shall at all times be at least 4 (four) Trustees in office and not more than 17 (seventeen) Trustees.

9.2 If the initial Trustee ceases to hold office as such for any reason (and no additional Trustee has been co-opted by the initial Trustee with the consent of VPIF), a successor shall be appointed by the initial Trustee, with the prior consent of VPIF. Each successor appointed as a Trustee in terms hereof shall, upon its written acceptance of appointment, be vested with and bound by all the powers and duties of a Trustee appointed in terms of the Trust Deed.

9.2.1 The Trustees from time to time shall be the same persons who are from time to time the South African resident directors on the Company's board of directors (the "board").

9.2.2 No person who is not a director on the VPIF board shall be qualified to hold office as a Trustee of the Trust.

9.2.3 Each of the Trustees shall have the power of assumption and co-option, but only in relation to a person who is a director on the VPIF board at the relevant time.

9.3 If at any time there is no Trustee, the auditors, or if there are no auditors, the president of the Law Society of the Northern Provinces (or its successor in Gauteng) shall make the necessary appointment.

9.4 The following persons shall be disqualified from acting as Trustee:

9.4.1 In the case of a trustee who is a natural person:

9.4.1.1 Any person who would be disqualified from acting as a director of a company in terms of section 218(1)(c) of the Companies Act or any corresponding statutory provision;

9.4.1.2 Any person removed from an office of trust on account of misconduct;

9.4.1.3 A person whose estate has been sequestrated and has not been rehabilitated;

9.4.1.4 A person who has been found lunatic or is of unsound mind or has been declared incapable of managing his affairs; and

9.4.1.5 A person who has been convicted of any offence involving dishonesty or in connection with the promotion, management or formation of a company; and

9.4.1.6 Immediately such Trustee ceases to be a director of VPIF, irrespective of the reason therefor.

9.4.2 In the case of a corporate Trustee:

9.4.2.1 A company which has been liquidated or placed under judicial management, whether provisionally or finally; and

9.4.2.2 If the Trustee or any of its directors has been convicted of any offence including dishonesty or in connection with the promotion, management or formation of a company.

9.5 The office of a Trustee shall be vacated:

9.5.1 If the Trustee becomes disqualified in terms of clause 9.4;

9.5.2 In the case of a Trustee who is a natural person, if an application is filed for the sequestration of his estate upon which a provisional order of sequestration is subsequently granted or an application is filed for the surrender of his estate or for an administration order;

9.5.3 In the case of a corporate Trustee, if the Trustee commits an act of insolvency as defined in the insolvency law for the time being in force or if it makes any arrangement or composition with its creditors generally;

9.5.4 If the Trustee becomes disentitled in law to hold the office of Trustee;

9.5.5 30 (thirty) days after the date upon which the Trustee gives written notice to VPIF of his intention to resign, provided that such resignation shall take effect only upon the appointment of a Trustee in the place of the resigning Trustee; or

9.5.6 30 (thirty) days after the date on which VPIF (with the concurrence of the Master of the High Court and the Trust's auditors) gives written notice to the Trustee requiring the Trustee:

9.5.6.1 to appoint a new Trustee in place of such Trustee; and

9.5.6.2 upon the appointment of the new Trustee in place of the resigning Trustee, to resign as Trustee of the Trust.

10. ACCOUNTING MATTERS, AUDITING AND BANKING

10.3 The books of the Trust shall be audited. The Trustee shall prepare a set of financial statements of the Trust in respect of each financial year, which statements shall be signed by the Trustee and reported on by the auditors.

10.6 Without in any way derogating from the obligation of the Trustee to prepare a set of annual financial statements of the Trust in respect of each financial year under clause 10.3, to the extent that the financial year end of the Trust is different from the financial year end of the Company, the Trustee shall be obliged to cause an additional set of annual financial statements for the Trust to be prepared as at each financial year end of the Company and for the period covered by the financial statements required to be prepared by the Company, so as to facilitate the consolidation of the financial position of the Trust with that of the Company and its subsidiary companies in existence from time to time. The Trust shall be entitled to recover from the Company the cost of preparation of the additional set of financial statements.

12. EXEMPTION FROM ANY OBLIGATION TO FURNISH SECURITY

12.1 The Trustee shall be exempt from any obligation to furnish security in connection with its appointment and/or for the due administration of the Trust to the Master of the High Court or any other person, body or authority, as provided for in the statutes or any other law now in force or to come into force relating to Trusts and the protection of Trust property, and the Master and any such other person, body or authority are hereby directed to dispense with and not to require such security.

13. TRUSTEE'S POWERS

13.1 The Trustee shall, having regard to the Trust's objects, have all powers enjoyed by Trustees under the common law or by statute, for the benefit and purposes of the Trust to do whatever may be effected by a natural person with full legal capacity (subject to restrictions imposed in the Trust Deed) to enable it to give effect to the Trust's objects and the provisions of the Trust Deed including, but without limitation, the following:

13.1.1 To conclude asset management agreements;

13.1.2 To conclude lease agreements;

13.1.3 To conclude the agreement governing the VPIF loan and such other loan agreements, credit enhancement agreements or other agreements ordinarily concluded in the running of a property letting business;

13.1.4 Save as otherwise expressly provided for in the Trust Deed, to deal from time to time with the Trust fund as it in its discretion may deem to be in the best interests of the Trust and/or a beneficiary and for that purpose to exercise all powers relative thereto as if the Trustee was the absolute owner of such fund and generally to perform all acts to the same extent and with the same effect as the founder might have done if the Trust Deed had not been executed, and the Trustees' decisions and actions, whether actually made or taken in writing or implied from its acts, shall be conclusive and binding on all beneficiaries;

13.1.5 To borrow from time to time such sums of money on such terms and conditions as it in its discretion considers fit, with power from time to time to consent to any variations or alterations of the terms of any such borrowing and to secure any such borrowing or any other obligations of the Trust by the mortgage, pledge or cession of any asset constituting portion of the Trust's funds and, if the Trustee in its discretion considers it fit, to borrow afresh on security or otherwise for the purpose of repaying any such mortgage, pledge or cession;

13.1.6 Subject to the statutes, to open and operate (either themselves or by a person or persons authorised by them) accounts in registered banks and other financial institutions;

13.1.7 Subject to clause 8.1, to reimburse itself from the Trust fund for all expenses which may be incurred by it in or about the execution of the trusts and powers conferred upon it, and, without detracting from the aforegoing, to employ professional advisers, consultants, agents and other people whomsoever to carry out the objects of the Trust and to pay their fees, commissions, remuneration and other charges out of the Trust fund and to confer upon any agents so appointed the right to exercise any discretion which may be vested in the Trustee;

13.1.8 To call in, recover, collect and sue for all moneys owing to the Trust, to institute or defend legal proceedings and to sign all deeds, powers of attorney and other documents that may be necessary for those purposes;

13.1.9 To sign and execute transfers and cessions of property, bonds, consents to cancellations of bonds, leases, servitudes and other deeds and powers of attorney relating thereto, and generally all documents of any nature whatsoever as may be necessary from time to time in connection with the acquisition, realisation, disposal or encumbrance of assets of or for the Trust and the carrying out of the terms of the Trust Deed;

13.1.10 To conclude agreements for the acquisition of immovable property and to take up any rights attaching to any shares, debentures, participatory interests in collective investment schemes or any other securities (collectively "shares") which may be held by the Trust;

13.1.11 To exercise the voting power attached to any shares in any such manner as it in its discretion may consider in the best interests of the Trust;

13.1.12 To deposit with and to allow to remain in the possession of a registered financial institution or a trust company or trust companies or other depository or depositories, whether in the RSA or elsewhere as the Trustee in its discretion may think fit, any shares and other assets at any time held by the Trust;

13.1.13 To insure the assets, income and liabilities of the Trust on such terms as it in its discretion deems fit, with the specific power of insuring, at the cost of the Trust, itself in respect of actions and omissions as Trustee of the Trust against any ordinarily insurable personal liability on its part, whether under any of the statutes or common law; and

13.1.14 To enter into contracts on behalf of the Trust and to adopt and accept for the Trust's benefits under contracts entered into for the benefit of the Trust, whether before or after its creation.

13.2 The Trustee shall not (without the express written approval of VPIF) have the power to reinvest any net income.

13.3 Without in any way derogating from the provisions of clause 13.1 and 13.2, the Trustees shall have all the powers that are required or allowed in law, including all such powers as are vested in them, whether under the Statutes, the Company's incorporation documents or by common law, as attach to the directors of the Company.

13.4 The Trustees shall have the same fiduciary duty to the Trust as that which they would have had, had the Trust been a public limited liability company incorporated in terms of the Companies Act, in force from time to time, and the Trustees were directors of such company. Accordingly all the provisions of the Companies Act in force from time to time as well as the common law pertaining to the fiduciary duties of directors, shall apply *mutatis mutandis* to each of the Trustees.

13.5 Notwithstanding any of the provisions to the contrary contained in this Trust Deed, the Trustees shall be obliged to take all such steps as are necessary or requisite so as to ensure that the trust conforms with the JSE Listings Requirements, in the same way as a board of directors of a subsidiary of a listed company would have been obliged to conform with such JSE Listings Requirements.

14. DISCRETIONARY NATURE AND PROTECTION OF BENEFICIARIES' INTERESTS

Until any benefit or award vests in a beneficiary, nothing herein contained nor any resolution, deed or act of the Trustee shall create or confer upon any person any right or claim to any benefit or award or delivery of any assets hereunder.

15. TERMINATION OF TRUST

15.1 The Trust shall endure until the Company is finally liquidated, wound-up or deregistered, as the case may be, alternatively when VPIF and the Trustee (if there is more than one Trustee, 75% (seventy five per cent) of the number of Trustees then holding office) agree to terminate the Trust.

16. AMENDMENT OF TRUST

The provisions of the Trust Deed may be varied only in writing by VPIF and the Trustee, but if there is more than one Trustee, then with the approval of 75% (seventy five per cent) of the number of Trustees then holding office.

INFORMATION RELATING TO THE VPIF PORTFOLIO

1. OVERVIEW

Building name	Region	Sector	Vacancy %	Comment
Perseus Park	Pretoria	Commercial	Nil	B+ Grade – Well located, Government tenant
Parthenon Park	Pretoria	Mixed	36%	B+ Grade – Well located, multi tenanted, redevelopment in progress
Rynlal Building	Pretoria	Commercial	16%	B+ Grade – Multi-tenanted
Linger Longer	Sandton	Retail	Nil	A Grade location ideal for redevelopment
Vodacom Park	Sandton	Commercial	Nil	A Grade location and tenant on long lease
Investment Place	Hyde Park	Commercial	Nil	A Grade location and tenants
Belvedere	Sunninghill	Commercial	Nil	A Grade building and tenants
ACS House	Rivonia	Commercial	Nil	A Grade building, two solid tenants on long leases – recently refurbished
Standard Bank, Private Bank	Hyde Park	Commercial	Nil	A+ Grade location and tenant, long lease
Standard Bank, Upington	Northern Province	Commercial	Nil	A Grade location and tenant
Standard Bank, Harrismith	KwaZulu-Natal	Commercial	Nil	A Grade location and tenant
Standard Bank, Stanger	KwaZulu-Natal	Commercial	Nil	A Grade building, A Grade tenant
Standard Bank, Ladysmith	KwaZulu-Natal	Mixed	Nil	A Grade location and tenant
Standard Bank, Randburg	Gauteng	Commercial	10%	B+ Grade building and location, multi-tenanted
Standard Bank, Springs	Gauteng	Mixed	Nil	B Grade building, A Grade tenant
Wale Street Chambers	Western Cape	Mixed	6%	A Grade building, A Grade tenants, recently refurbished
Benstra Building	Pretoria CBD	Commercial	Nil	B+ Grade building, Government tenant
Motherwell Shopping Centre, Port Elizabeth	Motherwell, Eastern Cape	Rural Retail	Nil	A Grade tenants, well located
Murrayfield Forum	Pretoria	Mixed	11%	B+ Grade building, well located
Athol Ridge	Gauteng	Commercial	Nil	A Grade with blue chip tenants
Cedar Park	Gauteng	Commercial	Nil	A Grade with blue chip tenants
Loop Street	Western Cape	Commercial	Nil	A+ Grade with blue chip tenants
Lion Roars	Port Elizabeth	Commercial	Nil	A Grade with national tenant
Mabe Park	North West Province	Commercial	Nil	A Grade offices with national tenants
Xstrata Building	North West Province	Commercial	Nil	A Grade offices with national tenants
Foretrust Building	Western Cape	Commercial	9%	B+ offices with national tenants
The Business Centre	Gauteng	Commercial	Nil	A Grade offices with national tenants
Brickfield Road	Western Cape	Industrial	Nil	B+ Grade industrial building, well located under redevelopment
Greenstone Properties	Gauteng	Commercial – offices	3%	A+ Grade with 98% blue chip tenants

2. SPECIFIC INFORMATION

Property name	Registered legal description	Physical address	Description and use	Effective date of acquisition
Perseus Park	Erf 408 and 482 Lynnwood Ridge, Township Reg. Div. JR, Gauteng	117 Priory Road, Lynnwood Park, Pretoria, Gauteng	Freehold/building/ offices	29 September 2006
Parthenon Park	Remainder extension of Erf 556 Murrayfield Extension. 1 Township Reg. Div. JR	385 Rossouw Street, Murrayfield Ext 1, Pretoria, Gauteng	Freehold building/ offices	29 September 2006
Rynlal Building	Erf 918 Lynnwood Township Reg. Div. JR, Gauteng	338 The Hillside, Lynnwood, Pretoria, Gauteng	Freehold building/ offices	29 September 2006
Linger Longer	Portion 5 Erf 7 Wierda Valley, Township Reg.Div. IR, Gauteng	58 Wierda Road, Wierda Valley, Sandton, Gauteng	Freehold building/ restaurant	2 October 2006
Vodacom Park	Portion 6 of Erf 7 Wierda Valley Township Reg. Div. IR, Gauteng and Portion 263 (Portion of Portion 245) of Farm Syferfontein 51, Reg. Div. IR, Gauteng, Portion 263 (a portion of 245)	60 Wierda Road, Wierda Valley, Sandton, Gauteng	Freehold building/ offices	2 October 2006
Investment Place	Erf 325 and 326 Hyde Park Ext 56, Reg. Div. IR, Gauteng and Portion 747 of the farm Zandfontein 42, Reg.Div. IR, Gauteng	2nd Road, Hyde Park, Gauteng	Freehold building/ offices	2 October 2006
Belvedere	Erf 1322 Sunninghill Ext. 115, Township Reg. Div. IR, Gauteng	Cnr. Nanyuki & Simba Roads, Sunninghill, Gauteng	Freehold building/ offices	2 October 2006
ACS House	Portion 8 of Erf 181 Edenburg Township Reg. Div. IR, Gauteng	370 Rivonia Boulevard, Rivonia, Gauteng	Freehold building/ offices	2 October 2006
Standard Bank, Private Bank	Erf 21 Hyde Park Township, Reg. Div. IR. Gauteng	Cnr. Sixth Street & 35 Morsim Road, Hyde Park, Gauteng	Freehold building/ offices	15 November 2006
Standard Bank, Upington	Erf 2271 Upington, Reg. Div. Gordonia Road, Northern Cape	Cnr. Scott & Hill Streets, Upington, Eastern Cape	Freehold building/ offices	15 November 2006
Standard Bank, Harrismith	Erf 1902 Situated in the Township Harrismith, Reg. Div. Harrismith Road	6 Sarel Cilliers Street, Harrismith, KwaZulu-Natal	Freehold building/ offices	15 November 2006
Standard Bank, Stanger	Erf 146 Stanger, Reg. Div. KwaZulu-Natal	124 Cooper Street, Stanger, KwaZulu-Natal	Freehold building/ offices	15 November 2006
Standard Bank, Ladysmith	The remainder of Erf 726 Ladysmith, Reg. Div. Gs, KwaZulu-Natal	262 Murchison Street, Ladysmith, KwaZulu-Natal	Freehold building/ offices	15 November 2006
Standard Bank, Randburg	Erf 1865 Ferndale Township Reg. Div. IQ., Province of Gauteng	304 Oak Avenue, Randburg, Gauteng	Freehold building/ offices	15 November 2006
Standard Bank, Springs	Erf 1978 Springs	33 – 5th Avenue, Springs, Gauteng	Freehold building/ offices	30 November 2006

Property name	Registered legal description	Physical address	Description and use	Effective date of acquisition
Wale Street Chambers	Erf 10191 - Sections 4, 8, 9, 14, 15, 21, 29-36, 45, 53-57, 62, 64-69, 71, 77, 78, 86-89, 95, 102, 105-115, 121, 123, 129, 133, 137-140, 168, 171-177, 185, 191-193, 202, 206-222, 224, 226, 228, 229, 234, 238, 240, 241, 249, 259-261, 277, 288. In addition, exclusive use area T2-T4 and T8-T9. And sections 190 and 227, plus the parking bays in respect of sections 278, 279, 280, 281, 282, 283 and 284 of the sectional title scheme known as Wale Street Chambers (described on SG Diagram 132/1996)	Burg & Long Streets, Cape Town, Western Cape	Sectional title/ Freehold building/ offices and shops	29 September 2006
Benstra Building	Erf 1033 Arcadia Reg. Div. IR	475 Church Street, Arcadia, Pretoria, Gauteng	Freehold building/ offices	29 September 2006
Motherwell Shopping Centre, Port Elizabeth	Erf 17676 Motherwell	17676 Umnula Street, Motherwell, Port Elizabeth, Eastern Cape	Freehold building/ offices	25 March 2008
Murrayfield Forum	Portion 1 of Erf 556, Murrayfield Ext. 1 Pretoria	Cnr. Rubieda & Rossouw Streets, Murrayfield, Pretoria, Gauteng	Freehold building/ offices	21 December 2006
Athol Ridge	Erven 132, 133, 134, the remaining extent of Erf 135, Portion 1 of Erf 135, Portion 3 of Erf 184 and Portion 4 of Erf 184, Athol Extension 12 and Erf 6, Simba Township, Registration Division IR	151 Katherine Street, Athol, Sandown, Gauteng	Freehold building/ offices	11 August 2011
Cedar Park	Unit 18 of Greenstone Hill Office Park Ext 22, Erven 1836 and 1837	30 Stoneridge Drive Greenstone Hill Office Park, Gauteng	Freehold building/ offices	11 August 2011
Loop Street	Erven 1570, 1571, 1572, 1573 and 1574	14 Loop Street, Cape Town, Western Province	Freehold building/ offices	11 August 2011
Lion Roars	Erven 11322 and 1698 Walmer in the Nelson Mandela Bay Metropolitan Municipality, Division of Port Elizabeth	53 Heugh Road, Walmer, Port Elizabeth	Freehold building/ offices	6 December 2011
Mabe Park	Erf 114 Waterval East Extension 4	12 Kgwebo Avenue, Waterval East Extension 4, Rustenburg	Freehold building/ offices	6 December 2011
Xstrata Building	Portion 9 of Erf 1833 Rustenburg Extension 4	91 Ridder Street, Ooseinde, Rustenburg	Freehold building/ offices	15 December 2011
Foretrust Building	Erf 172 Roggebaai	Martin Hammerschlag Way, Cape Town, Western Province	Freehold building/ offices	14 February 2012
The Business Centre	Erf 155, Edenberg	377 Rivonia Boulevard, Sandton, Gauteng	Freehold building/ offices	6 November 2012
Brickfield Road	Erf 13755, Cape Town	5-9 Brickfield Road, Salt River	Freehold building/ offices	7 August 2012
Greenstone Properties	Erven 1836 and 1837 of Greenstone Hill Ext 22 Township, Gauteng	Emerald Boulevard, Lethabong (City of Johannesburg), Gauteng	Sectional title/ Freehold building/ offices	Date of transfer

Property name	GLA m²	Weighted average gross rental per m² for the GLA	Market value attributed by independent external valuer	Purchase price at acquisition	Age of building	Effective date of valuation
Perseus Park	13 838	R70,00	R139 800 000	R60 700 000	20 years	1 January 2011
Parthenon Park	4 891	R60,00	R32 200 000	R12 900 000	35 years	1 January 2011
Rynlal Building	5 874	R59,00	R32 700 000	R16 950 000	25 years	1 January 2011
Linger Longer/ Vodacom Park	5 448	R100,00	R88 900 000	R49 300 000	15 years	1 January 2011
Investment Place	6 253	R97,00	R860 00 000	R48 000 000	10 years	1 January 2011
Belvedere	10 873	R78,00	R130 800 000	R70 400 000	8 years	1 January 2011
ACS House	1 743	R65,00	R18 075 000	R6 800 000	12 years	1 January 2011
Standard Bank, Private Bank	2 038	R120,00	R39 000 000	R23 800 000	8 years	1 January 2011
Standard Bank, Upington	1 181	R60,00	R7 500 000	R4 660 000	35 years	1 January 2011
Standard Bank, Harrismith	1 086	R60,00	R6 650 000	R2 500 000	35 years	1 January 2011
Standard Bank, Stanger	1 253	R58,00	R7 900 000	R5 700 000	20 years	1 January 2011
Standard Bank, Ladysmith	2 397	R41,00	R10 000 000	R5 500 000	25 years	1 January 2011
Standard Bank, Randburg	8 107	R47,00	R46 000 000	R24 500 000	20 years	1 January 2011
Standard Bank, Springs	1 916	R46,00	R10 650 000	R8 700 000	5 years	1 January 2011
Wale Street Chambers	7 253	R78,00	R55 625 000	R14 100 000	35 years	1 January 2011
Benstra Building	7 818	R75,00	R43 000 000	R41 200 000	30 years	1 January 2011
Motherwell Shopping Centre, Port Elizabeth	3 219	R58,00	R22 450 000	R14 500 000	10 years	1 January 2011
Murrayfield Forum	1 790	R37,00	R6 600 000	R6 700 000	20 years	1 January 2011
Athol Ridge	8 577	R115,00	R105 500 000	R104 400 000	10 years	1 January 2011
Cedar Park	1 897	R87,00	R17 700 000	R3 966 708 for the shares and claims in the company	104 years	1 January 2011
Loop Street	2 223	R119,00	R37 100 000	R13 011 090 being R3 883 884 n respect of the shares and R9 127 206 in respect of the claims in the company	2 years	1 January 2011
Lion Roars	4 117	R107,00	R52 100 000	R52 100 000	4 years	1 December 2011
Mabe Park	1 642	R149,00	R24 000 000	R24 000 000	6 years	1 December 2011
Xstrata Building	3 720	R77,00	R28 982 000	R28 982 000	7 years	1 December 2011
Foretrust Building	26 780	R104,35	R251 000 000	R249 500 000	35 years	1 January 2013
The Business Centre	4 886	R86,00	R64 500 000	R64 500 000	17 years	N/A
Brickfield Road	5 251	R44,06	R20 000 000	R20 000 000	± 80 years	N/A
Greenstone Properties	17 571	R137,40	R273 000 000	R266 697 000	1 – 3 years	1 April 2013

Lease information

Property No.	Tenants	Rentable area (m²)	Salient terms of lease		
			Start date	Expiry date	Escalation
Main-Leases					
1.	SITA	13,815,48	01/02/2006	31/07/2014	8%
2.	Impala Platinum	102,89 + 558,26 + 416,87 + 139,89	01/12/2009	30/11/2014	8%
3.	Delta Built Environment Consultants	2 277,67	01/11/2008	31/03/2014	8%
4.	Vodacom	5,101	01/06/2010	31/05/2015	9%
5.	Aegis BPO	2,270,8 + 2 ,203,08 + 1 677,37	01/03/2008	28/02/2018	8%
6.	ACS	1,743	01/07/2010	30/06/2015	8%
7.	Standard Bank	2 037,99	01/04/2009	31/03/2014	9%
8.	Standard Bank	1 181,29	01/08/2009	31/07/2015	7%
9.	Standard Bank	1 085,93	01/01/2008	31/12/2013	7%
10.	Standard Bank	1 253	01/01/2009	31/12/2014	9%
11.	Standard Bank	1,495	01/01/2009	31/12/2014	9%
12.	Standard Bank	1 233,23 + 1 390,59	01/01/2010	31/12/2014	8%
13.	Standard Bank	651 + 955	01/03/2009	28/02/2015	8%
14.	City of Cape Town	4 565	01/01/2010	30/06/2015	8%
15.	Compensation Commissioner	7 538	01/04/2010	31/03/2013	0%
16.	Spar	2 095	01/11/2005	30/11/2021	6%
17.	ABSA	3 032,9	01/08/2010	31/08/2017	8%
18.	North West Provincial Department of Health and Social Development	821	01/06/2010	31/05/2015	8%
19.	North West Provincial Department of Health	821	01/06/2010	31/05/2015	8%
20.	Hudaco	865,80	01/04/2011	31/03/2018	8%
21.	Department of Environmental Affairs and Tourism	23,149	01/01/2008	30/11/2017	10%
22.	Wasteman Holdings	610,8	16/06/2011	30/06/2016	9%
23.	Business Centre	4 885,50	06/11/2012	01/07/2022	7.5%
24.	Vunani Capital	1 510,60	01/10/2012	30/09/2015	8%
25.	Xstrata South Africa	2 660	01/01/2011	31/12/2015	8%
26.	Independent Regulatory Board of Auditors	2 399	1/08/2008	31/07/2015	8.8%
27.	Deldevco Properties	2 626,3	15/07/2010	14/07/2015	9.0%
28.	Tourvest Investments (Pty) Ltd	789	1/03/2009	28/02/2014	9.0%
29.	UTI South Africa (Pty) Ltd	1 794	1/08/2012	31/07/2017	9.0%
30.	DHL Supply Chain South Africa (Pty) Ltd	981,6	1/05/2012	30/04/2017	9.0%
31.	Senet (Pty) Ltd	4 586	1/08/ 2012	31/07/2019	8.0%
32.	Nalco Africa (Pty) Ltd	1 128	1/04/2010	31/03/2015	9.0%
33.	Lanxess (Pty) Ltd	1 126	1/11/2008	31/10/2013	10.0%

The independent external valuer who undertook the valuations as set out above was Mr MRB Gibbons of Mills Fitchet Magnus Penny Proprietary Limited (registered without restriction as a Professional Valuer in terms of the Property Valuers Profession Act, No. 47 of 2000).

INFORMATION RELATING TO THE DIRECTORS

1. DIRECTORS

The details and profiles of the directors, all of whom:

- are South African, other than CE Chimombe-Munyoro, who is German;
- have been appointed in terms of the MOI;
- have confirmed that they are free of any conflict of interest between their duties as directors of the Company and their private interests. PW Mackenzie will continue as an executive director of Vunani Properties, while RF Kane will remain on the board of Vunani Properties as a non-executive director;
- have confirmed that they have the appropriate expertise and experience to manage the Company, are set out below:

EXECUTIVE DIRECTORS:

Robert Fletcher Kane (53)
Chief Executive Officer, BSc (Civ) Eng, MBA
Business address: 2nd Floor, 33 Church Street, Cape Town, 8001

Rob has over 25 years' experience in all aspects of the property industry. After completing his BSc degree at the University of Cape Town, Rob was employed by Wilson Bayly Holmes-Ovcon Limited as a building contractor. He gained his Pr Eng qualification in 1989 and then worked as a consultant in the United Kingdom for 18 months prior to completing a MBA at Bath University. He joined Kennedy & Donkin (UK) as the business development manager responsible for Western Europe, Scandinavia, Turkey and Africa. Rob returned to South Africa in 1996 and joined Herbert Penny as a property investment broker. Rob managed his own property development and investment broking business between 1998 and 2003. Rob joined Vunani Properties in 2004, where his responsibilities include the management of VPIF and involvement in developments in the Cape Province. Rob has been CEO of VPIF since mid 2008. Rob is Chairman of the Cape Town City Improvement District, a board member of the Cape Town Partnership and a member of the South African Property Owners' Association W Cape committee. He is an external examiner and occasional lecturer at the University of Cape Town. He is a member of the Investment Analysts Society.

Marelise de Lange (40)
Financial Director, BCom (Law) and BCom (Hon)(Acc)
Business address: Vunani House 151 Katherine Street, Sandown, Sandton, 2196

Marelise obtained BCom (Law) and BCom (Hon)(Acc) degrees and commenced her career at Absa Corporate and Merchant Bank in the Structured Finance division. She later worked at Absa Capital where she held the position of Business Manager – Structured Capital Market. In June 2008, Marelise joined International Housing Solutions, a property equity fund for affordable housing, as Financial Director where her duties included the implementation of IFRS accounting and reporting systems for the South Africa Workforce Housing Fund. Her finance and accounting experience extends over 18 years. Marelise joined Vunani in June 2009 as Group Financial Manager and is responsible for the full accounting function of the Vunani Group and, in particular, Vunani Properties.

Pieter Willem Mackenzie (49)
BSc Building Management, MBA
Business address: Vunani House 151 Katherine Street, Sandown, Sandton, 2196

Pete has over 20 years' experience in all aspects of the property industry. Pete is the Managing Director of Vunani Properties and has held this position since April 2003. His responsibilities include the day-to-day management and financial control of Vunani Properties, which Company focuses on both property development and investment. Pete was with Pegasus 111 Properties from January 1994 until March 2003 where he was Managing Director in his final two years, and was responsible for all construction and development activities in the Corovest Property Group. During the period January 1992 to December 1993, he was the Development Director of Dallaway Developments where he was responsible for all construction and development activities. Pete obtained a BSc degree in Building Management from the University of Cape Town in 1987 and a MBA from Wits Business School in 1998. Pete is a member of the South African Property Owners Association.

NON-EXECUTIVE DIRECTORS:

Pragalathan Dhanapalan Naidoo (Dempsey) (55)
Independent non-executive Chairman, BSc (Hons) Civil Engineering, PrEng
Business address: 25 Scott Street, Waverley, Johannesburg, 2090

Dempsey is the founder and Executive Chairman of PD Naidoo & Associates, a diversified consulting engineering group based in Johannesburg, which focuses mainly on infrastructure, mining and regeneration projects. Dempsey combines his engineering qualifications and experience with business and leadership acumen to develop and drive consistently successful major commercial undertakings, both in large corporate and professional environments. He has established a network among senior executives in major building construction companies and turn-key project managers, bankers and financiers and in the wider business community. He is the author of numerous articles relating to the engineering profession and was one of five finalists in the 2004 SA Entrepreneurship Award run by Ernst & Young and Rand Merchant Bank. He serves on the Engineering Council of South Africa and has held office as President of the South African Association of Consulting Engineers and is a Fellow of the South African Academy of Engineering and the South African Institute of Civil Engineering as well as holding membership of various other professional bodies. His early work experience includes industrial training with WS Atkins in Epsom, United Kingdom and he was invited to join Anglo American as an Engineer-in-Training in 1987.

Robert Reinhardt Emslie (55)
Independent non-executive director, BCom (Hons), CA(SA)
Business address: 283 Pinto Place, Beaulieu, Kyalami, 1684

Robert qualified as a CA(SA) in 1983 after completing his Articles at Brink Roos & du Toit and worked for the Absa Group from 1987 to 2008. He was a member of the Absa Group Executive Committee from 2004 to 2008, the head of Absa Corporate and Business Bank from 2000 to 2008 and the head of Absa Africa from 2007 to 2008. He was a senior lecturer in tax and accounting at the University of the Witwatersrand from 1984 to 1987. He has been a director of two listed property funds and is currently a non-executive member of the investment and asset management committees of International Housing Solutions, a private equity fund as well as a non-executive independent board member of the Trust for Urban Housing Finance and the CEO of the asset management company of the Wingspan and Rapfund property funds. He is currently a non-executive member of a number of boards.

John Russell Macey (50)
CA(SA), BCom (Hons) (FinAcc) (Independent non-executive director)
Business address: Cardiff Castle, Main Street, Kenilworth, 7800

John spent five years with Deloitte & Touche where he obtained audit, accounting, financial advisory and taxation experience. He spent five years as the financial director of Gosair Filter Systems (Pty) Limited and also lectured for nine years at the University of Cape Town in financial accounting and management accounting.

Chipo Evelyn Chimombe-Munyoro (Evelyn) (39)
BA, LLB, LLM (Commercial law/Maritime law)
Business address: Vunani House Block C, 151 Katherine Street, Sandown, Sandton, 2196

Evelyn is an admitted attorney of the High Court of South Africa. She was previously a director and partner of Fairbridges Attorneys. Evelyn initially served on the board of Vunani as a non- executive director and during 2006 she joined Vunani as an executive director. She has served in the capacity of a non-executive director on the boards of various JSE-listed companies and is the current chairperson of PSV Holdings Limited.

Ethan Gilbert Dube (52)
MSc (Statistics) Executive MBA (Sweden)
Business address: Vunani House Block C, 151 Katherine Street, Sandown, Sandton, 2196

Ethan has an extensive corporate finance and asset management background which he gained at Standard Chartered Merchant Bank, Southern Asset Managers and Infinity Asset Management. Ethan was a founder and has been managing director of Vunani Capital (Pty) Limited (previously African Harvest Capital) since its inception in the late 1990s. He is a director of a number of JSE listed companies, *inter alia*, Hyprop.

Portia Morwesi Tau-Sekati (42)
Independent non-executive director, BA (Hons), PDM (Bus Ad)
Business address: 65 Wierda Road East, Wierda Valley, Sandton, 2196

Portia is currently the CEO of The Property Sector Charter Council. She has worked in various public and private entities and has an extensive knowledge and is an expert in "transformation" as driven in the RSA by the BBBEE framework. She also has extensive experience in dealing with and lobbying Government. Previously she served as the CEO of the National Association of Real Estate Agencies. Portia's background is marketing and she has held senior marketing positions both locally and abroad in companies such as Thebe Investment Corporation, Roche Pharmaceuticals and Gillette Company. She has also been appointed as a member of the Company's Investment Committee, Social and Ethics Committee and Remuneration and Nominations Committee.

Kyansambo Ntombi Vundla (34)
Independent non-executive director, BCom (Accounting), HDip Acc, CA(SA)
Business address: 91 Central Street, Houghton, 2198

Kyansambo is a Chartered Accountant (SA) and is currently the CFO of Regiments Capital having previously held various positions with the Momentum Group Employee Benefits Divisions. She holds a number of directorships and memberships including acting as a board member of the SA Council of Property Valuers Profession, acting President of the Randburg Chamber of Commerce, chairperson of the Bonitas Marketing Company audit and risk committee and she is also an independent non-executive director of Workforce Limited. She has also been appointed as a member of the Company's Audit and Risk Committee.

2. SENIOR MANAGEMENT

The senior management of the Company comprises the executive directors.

3. INFORMATION CONTAINED IN THE DIRECTORS' DECLARATIONS

All the directors have completed and signed the Director's Declaration required in terms of Section 21 of the JSE Listings Requirements and have confirmed that they have not been:

- disqualified by any court from acting as a director of a Company or from acting in the management or conduct of the affairs of any company or been the subject of any public criticisms by statutory or regulatory authorities (including recognised professional bodies);
- removed from an office of trust on the grounds of misconduct, involving dishonesty;
- convicted of an offence resulting from dishonesty, fraud or embezzlement or convicted in any jurisdiction of any criminal offence or any offence under legislation relating to the Companies Act or disqualification by a court to act as a director in terms of the Companies Act;
- adjudged bankrupt or insolvent or entered into any individual voluntary compromise arrangements or been involved in any business rescue plans and/or resolutions proposed to put any entity under business rescue

and/or applications and/or notices to put any entity under business rescue, or receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangements with creditors generally or any class of creditors of any company where he was a director with an executive function of such company at the time of or within the 12 months preceding any such event;

- involved in any compulsory liquidations, administrations or partnership voluntary arrangements of any partnership where he was a partner at the time of or within the 12 months preceding such event(s);
- involved in any receiverships of any assets or of a partnership where he was a partner at the time of or within the 12 months preceding such event; and/or
- barred from entry into any profession or occupation.

In addition, the directors have:

- undertaken to comply with the JSE Listings Requirements and to discharge their duties in ensuring such compliance while directors; and
- acknowledged that certain requirements contained in the JSE Listings Requirements affect them directly as directors in their personal capacities as well as in their capacities as directors and have undertaken to be bound by and to comply with all such requirements while they are directors.

4. DIRECTORS' INTERESTS IN THE COMPANY'S SECURITIES

The table below sets out the indirect beneficial holdings of the directors in the Company's securities at the last practicable date before and after the rights offer, as the directors have indicated that they will follow their rights in terms of the rights offer.

	Before the rights offer		After the rights offer	
Director	**Beneficial Direct**	**Beneficial Indirect**	**Beneficial Direct**	**Beneficial Indirect**
RF Kane[(1)]	–	623 839	–	874 702
RR Emslie	35 000	–	49 074	–

* Current units in issue = 120 618 080.

(1) RF Kane has an indirect holding in VPIF through the Ludlow Trust.

The directors' holdings are below 1%.

Since the Company's year-end on 30 June 2012, the following directors have traded in the Company's units:

Name	Date of transaction	Number of units	Price per unit
RR Emslie	5 November 2012	Purchased 8 021	810 cents
	5 November 2012	Purchased 16 979	820 cents
	6 November 2012	Purchased 10 000	820 cents
PW Mackenzie (via the Eagle Trust)	5 April 2013	Sold 748 610	1 060 cents

There have not been any director resignations in the past 18 months.

5. DIRECTORS' INTERESTS IN TRANSACTIONS

The directors had no interests in transactions entered into by VPIF during the current or the preceding financial year and which remain in any respect outstanding or unperformed.

6. DIRECTORS' REMUNERATION

6.1 Remuneration and benefits

The executive directors, whose services have been seconded to VPAM in terms of the Secondment agreement, will not be remunerated for their services as directors of the fund. An annual fee, payable monthly, shall be charged in terms of the Secondment agreement by Vunani Capital to VPAM and such fee shall include the remuneration to which the executive directors are entitled in respect of the services which they render to VPAM under the Secondment agreement. The following is a breakdown of the remuneration which the executive directors received from Vunani Capital in respect of the year ended 30 June 2012:

	Director's fees R'000	Basic salary R'000	Bonus R'000	Medical aid and retirement fund contributions R'000	Travel R'000	Total R'000
Non-executives						
PD Naidoo	129	–	–	–	–	129
RR Emslie	116	–	–	–	–	116
JR Macey	116	–	–	–	–	116
EG Dube	112	–	–	–	–	112
CE Chimombe-Munyoro	112	–	–	–	–	112
Executives						
RF Kane		1 051	375	205	–	1 631
PW Mackenzie		1 168	375	200	–	1 743
M de Lange		849	110	218	–	1 177
	585	3 068	860	623	–	5 136

Mesdames P Tau-Sekati and K Vundla were appointed directors with effect from 11 March 2013.

The estimated annual fees to be paid to the non-executive directors in respect of the 2013 financial year will be as follows:

Function	Amount Rand
Chairman of the board (PD Naidoo)	230 000
Chairman of the Audit and Risk Committee (RR Emslie)	200 000
Chairman of the Investment Committee (JR Macey)	200 000
Other independent non-executive directors	185 000
Other non-executive directors (EG Dube and CE Chimombe-Munyoro)	170 000

No change is expected to be made to the directors' remuneration as a result of the rights offer.

6.2 Other payments

No consulting, technical, or other fees, directly or indirectly, have been paid to any directors of the Company.

There is no commission, gain or profit-sharing arrangement payable to any of the directors.

There are no options or any other right given which has had the same or a similar effect in respect of providing a right to subscribe for units neither have any units been issued to directors in terms of a purchase or option scheme for employees.

At the last practicable date, no payment had been made to any director or any company in which he is directly or indirectly interested or of which he is a director ("the associate company") or to any partnership, syndicate or other association of which he is a member ("the associate entity"), in cash, securities or otherwise by any person either to induce him to become or qualify him as a director, or otherwise for services rendered by him or such associate company or associate entity in connection with the formation or promotion of the Company.

VPIF has not made any loans, which are outstanding, or furnished any security for the benefit of any director or manager or any associate of any director or manager.

No amounts have been paid by the Company to third parties in lieu of directors' fees.

7. DIRECTORS' SERVICE CONTRACTS

The executive directors, whose services have been seconded to VPAM in terms of the Secondment agreement, are not remunerated for their services as directors of VPIF. An annual fee, payable monthly, is charged in terms of the Secondment agreement by Vunani Capital to VPAM and such fee includes the remuneration to which the executive directors are entitled in respect of the services which they render to VPAM under the Secondment agreement.

Each of the executive directors is a party to the Secondment agreement whose material terms are as follows:

- The Secondment agreement commenced on the listing date and will continue for a period which is co-extensive with the Asset Management agreement, the details of which are set out in paragraph 2.7.1;
- The secondment of each of the executive directors is separately terminable in the case of material breach or conduct justifying summary dismissal or in circumstances where his employment with Vunani Capital terminates for any reason during the contract period;
- Each executive director is obliged to "devote so much of his time and attention during normal business hours, and such reasonable amount of additional time as is necessary, having regard to the exigencies of the business, to the business and affairs of VPAM and the fund; and
- Each executive director, for so long as he is employed by Vunani Capital may not, whether directly or indirectly, in whatsoever capacity, be interested or engaged in or concerned with or employed by any business, trade, undertaking or concern involved with real estate, which falls outside of the Vunani Group, VPIF and/or VPAM and/or outside of their respective interests, nor is he entitled, for a period of one year following the termination, for whatsoever reason, of his employment by Vunani Capital to be involved whether directly or indirectly, in whatsoever capacity, in any business, trade, undertaking or concern involving any real estate related venture, which falls outside the ambit of the business and/or affairs of the Vunani Group, VPIF and/or VPAM and/or outside of their respective interests, unless otherwise expressly agreed to by VPIF and Vunani Capital in writing.

The non-executive directors have signed Letters of Appointment, which are in compliance with the MOI.

The Secondment agreement is available for inspection as set out in paragraph 9 of this Circular.

8. OTHER DIRECTORSHIPS OF THE VPIF DIRECTORS FOR THE PAST FIVE YEARS

Name of company	Registration number
PD Naidoo	
PDNA Academy (Pty) Ltd	2008/003007/07
Bokamoso Asset Management (Pty) Ltd	2005/033960/07
PDNA Consulting Engineers (Pty) Ltd	2005/034037/07
Bokamoso Property Managers (Pty) Ltd	2005/034214/07
Chiefton SA (Pty) Ltd	1999/005556/07
ERF 1422 Durban (Pty) Ltd	2002/005881/07
Econogistics (Pty) Ltd	2006/036151/07

Name of company	Registration number
PD Naidoo & Associates Consulting Engineers (Pty) Ltd	1997/014139/07
PDNA Da Vinci Academy (Pty) Ltd	2008/018705/07
PDNA Equity Investments (Pty) Ltd	2008/019963/07
PDNA Holdings (Pty) Ltd	1999/003069/07
PDNA Industrial Projects (Pty) Ltd	2002/026749/07
PDNA Investments (Pty) Ltd	2002/005883/07
PDNA Property Investments (Pty) Ltd	2005/010034/07
PDNA Resources and Energy (Pty) Ltd	2005/016825/07
N3 Toll Concession (Pty) Ltd	1998/020534/07
Micawber 534 (Pty) Ltd	2006/034198/07
Vunani Property Investment Fund Ltd	2005/019302/06
PDNA Financial Investments (Pty) Ltd	2010/017848/07
PDNA Minxcon (Pty) Ltd	2012/121452/07
APPME (Pty) Ltd	2012/009303/07
Thyssenkrupp PDNA Engineering (Pty) Ltd	2010/000525/07
Tradeworx 178 (Pty) Ltd	2003/018849/07
Tri-Centre Integrated Asset (Pty) Ltd	2003/024350/07
RR Emslie	
ANDB Family Investments CC	2009/197550/23
EEE Family Investments CC	2008/091816/23
EJB Family Investments CC	2008/091662/23
Les Family Investments CC	2008/091710/23
ROE Family Investments CC	2008/108312/23
RYE Family Investments CC	2008/108316/23
Trust for Urban Housing Finance (ass. Under S21)	1993/000217/08
TUHF (Pty) Ltd	2007/025898/07
TUHF Bridge (Pty) Ltd	2006/014097/07
TUHF Holdings (Pty) Ltd	2007/024010/07
Blue Financial Services Ltd	1996/006595/06
Suiderland Development Corporation Ltd	1966/004422/06
SilverBridge Holdings Ltd	1995/006315/06
Vunani Property Investment Fund Ltd	2005/019302/06
Kyalami Schools (NPO)	1995/009710/08
Suiderland Plase (Pty) Ltd	1981/004119/07
Suiderland Charka Ltd	1966/009867/06
Irene Mall (Pty) Ltd	2003/005640/07
Westwood Mall (Pty) Ltd	2002/009758/07
Westwood Shopping Centre (Pty) Ltd	1999/021457/07
Hartebeespoort Properties (Pty) Ltd	2005/007671/07
Fountains Regional Mall (Pty) Ltd	2006/032819/07
Witteklip Mall	2001/024043/07
Retail Africa Wingspan	2005/005858/07

Name of company	Registration number
JR Macey	
Barristers Grill and Café CC	2007/249173/23
Whiterock Capital (Pty) Ltd	1999/008725/07
Workforce Holdings Ltd	2006/018145/06
Vunani Ltd	1997/020641/06
Glenrise (Pty) Ltd	1986/000991/07
Vunani Property Investment Fund Ltd	2005/019302/06
Pinkrock Investments (Pty) Ltd	2009/002429/07
Printworks Textile Printers (Pty) Ltd	2006/008572/07
Mayfield Electrical CC	1997/043302/23
Thusanang Construction (Pty) Ltd	1986/002857/07
EC Chimombe-Munyoro	
Dormell Properties 190 (Pty) Ltd	2002/012660/07
Vunani Metal and Minerals (Pty) Ltd	2006/036708/07
Aquarella Investments 507 (Pty) Ltd	2007/032654/07
Vunani Group (Pty) Ltd	2004/006502/07
Glenhove Fund Managers (Pty) Ltd	2001/027181/07
Micawber 534 (Pty) Ltd	2006/034198/07
Theodori (Pty) Ltd	2007/009086/07
Vunani Ltd	1997/020641/06
Vunani Property Investment Fund Ltd	2005/019302/06
Anchor Park Investments 42 (Pty) Ltd	2007/015988/07
Imvuno Fund Managers (Pty) Ltd	2008/025474/07
Kliprivier Property Development (Pty) Ltd	2006/016645/07
Camden Bay Investments 2 (Pty) Ltd	2007/001041/07
Evening Shade Properties 54 (Pty) Ltd	2006/015728/07
Dormell Properties 356 (Pty) Ltd	2004/020868/07
Dassie Investments (Pty) Ltd	2007/016495/07
Greenbear (Pty) Ltd	2007/016043/07
Lucretius Investments (Pty) Ltd	2005/041927/07
M de Lange	
MGM Property Development CC	2005/091244/23
Cedar Park Properties 31 (Pty) Ltd	2007/014552/07
Vunani Properties International (Pty) Ltd	2009/016780/07
Pacific Eagle Properties 204 (Pty) Ltd	2007/025771/07
Vunani Property Investment Fund Ltd	2005/019302/06
Baycove Properties 2 (Pty) Ltd	2005/018800/07
Royal Albatross Properties 379 (Pty) Ltd	2006/036011/07

Name of company	Registration number
PW Mackenzie	
Dreamworks Investments 125 (Pty) Ltd	2002/000256/07
Lexshell 638 (Pty) Ltd	2004/021697/07
Vunani Properties (Pty) Ltd	2004/006730/07
Mitja Investments No 29 (Pty) Ltd	1999/006784/07
Vunani Property Asset Management (Pty) Ltd	2007/028777/07
Vunani Property Investment Fund Ltd	2005/019302/06
Blue Age Properties 61 (Pty) Ltd	2007/029482/07
Selectria Investments 49 (Pty) Ltd	2008/025085/07
The Ridge School (NPO)	1947/025187/08
Mesquite Investments CC	1987/004046/23
Petroport N3 Heidelberg (Pty) Ltd	2004/023418/07
Wolfsberg Arch Investments (Pty) Ltd	2003/007988/07
Baycove Properties 2 (Pty) Ltd	2005/018800/07
Orion Properties 14 (Pty) Ltd	2005/041384/07
Greenstone Hill Office Park (Pty) Ltd	2006/004975/07
Kliprivier Property Development (Pty) Ltd	2006/016645/07
Waterstone Park Development (Pty) Ltd	2006/002243/07
Royal Albatross Properties 379 (Pty) Ltd	2006/036011/07
Acacia Place Owners Association (NPO)	2006/030187/08
Cedar Park Properties 31 (Pty) Ltd	2007/014552/07
Pacific Eagle Properties 204 (Pty) Ltd	2007/025771/07
Elderberry Investments 103 (Pty) Ltd	2007/015765/07
Acacias 404 CC	1992/003024/23
Cape Gannet Properties (Pty) Ltd	2007/012647/07
K and M Investments (Pty) Ltd	2005/001445/07
Kareebosch Estate (Pty) Ltd	2006/004559/07
One Vision Investments 54 (Pty) Ltd	2004/004363/07
Sovereign Seeker Investments 30 (Pty) Ltd	2004/007327/07

Name of company	Registration number
EG Dube	
Anchor Park Investments 81 (Pty) Ltd	2007/028767/07
Aquarella Investments 507 (Pty) Ltd	2007/032654/07
Before Sunset Properties 37 (Pty) Ltd	2006/022469/07
Busaf Bauer (Pty) Ltd	1996/003481/07
Glenhove Fund Managers (Pty) Ltd	2001/027181/07
Imvuno Fund Managers (Pty) Ltd	2008/025474/07
Integrated Managed Investments (Pty) Ltd	2001/026050/07
Jala Group (Pty) Ltd	2009/011731/07
Kliprivier Property Development (Pty) Ltd	2006/016645/07
Newshelf 1073 (Pty) Ltd	2010/018675/07
Newshelf 1075 (Pty) Ltd	2010/018672/07
Pacific Heights Investments 118 (Pty) Ltd	2007/023713/07
Quintofor Investments (Pty) Ltd	2009/016684/07
Route Broad Base Investors (Pty) Ltd	2007/034571/07
Selectria Investments 49 (Pty) Ltd	2008/025085/07
Solethu Investments (Pty) Ltd	2008/015473/07
Tutuni Investments 14 (Pty) Ltd	2007/029830/07
38 North Investments (Pty) Ltd	2010/044294/23
Vunani Ltd	1997/020641/06
Black Wattle Colliery (Pty) Ltd	1994/002802/07
Gidani (Pty) Ltd	2005/007741/07
Hyprop Investments (Pty) Ltd	1987/005284/06
Loato Properties (Pty) Ltd	2006/022207/07
Vunani Mining and Resources (Pty) Ltd	2009/016806/07
Vunani Securities (Pty) Ltd	1997/010323/07
Vunani Properties (Pty) Ltd	2004/006730/07
Vunani Mining (Pty) Ltd	2008/013957/07
Vunani Capital Markets (Pty) Ltd	1968/008854/07
Vunani Passenger Logistics (Pty) Ltd	2006/022641/07
Vunani Hedge Funds (Pty) Ltd	2003/014213/07
Vunani Private Client Holdings (Pty) Ltd	2008/014035/07
Vunani Concargo Logistics (Pty) Ltd	2011/000745/07
Vunani Capital (Pty) Ltd	1998/001469/07
Vunani Property Asset Management (Pty) Ltd	2007/028777/07
Vunani Property Investment Fund Ltd	2005/019302/06
Vunani Resources Holdings (Pty) Ltd	2012/170410/07
Mapitso Consortium Investments (Pty) Ltd	2009/006501/07
Mapitso Funding SPV (Pty) Ltd	2009/008318/07
Day Break Properties 81 (Pty) Ltd	2007/029242/07
Nqoba Gaming (Pty) Ltd	2007/029287/07
Blue Moonlight Properties 248 (Pty) Ltd	2006/022708/07
Amber Falcon Properties 131 (Pty) Ltd	2007/012923/07
Nomad Trading 1064 CC	2007/249338/23

Name of company	Registration number
RF Kane	
Lexshell 638 Investments (Pty) Ltd	2004/021697/07
Baycove Properties 2 (Pty) Ltd	2005/018800/07
Cedar Park Properties 31 (Pty) Ltd	2007/014552/07
Dreamworks Investments 125 (Pty) Ltd	2002/000256/07
Greenstone Hill Office Park (Pty) Ltd	2006/004975/07
Orion Properties 14 (Pty) Ltd	2005/041384/07
Pacific Eagle Properties 204 (Pty) Ltd	2007/025771/07
Selectria Investments 49 (Pty) Ltd	2008/025085/07
Vunani Properties (Pty) Ltd	2004/006730/07
Wolfsberg Arch Investments (Pty) Ltd	2003/007988/07
Vunani Property Asset Management (Pty) Ltd	2007/028777/07
Vunani Property Investment Fund Ltd	2005/019302/06
Kliprivier Property Development (Pty) Ltd	2006/016645/07
PM Tau-Sekati	
Cube Branding and Design CC	2002/099451/23
Bakgoni Investment Holdings (Pty) Ltd	2007/007277/07
Thebe Training (Pty) Ltd	2004/019121/07
Nyakaza Media and Promotions CC	2006/065990/23
Hathor Khanyisa Capital (Pty) Ltd	2007/025426/07
Blue Sands Trading 1005 CC	2008/104446/23
Grandlink (Pty) Ltd	2008/011576/07
Letsimane Trading and Projects 61 CC	2010/159487/23
Creditworx (Pty) Ltd	1980/008478/07
KN Vundla	
Internet Talk Digital (Pty) Ltd	2012/190053/07
Workforce Holdings Ltd	2006/018145/06
Vundla Consulting CC	2006/123207/23
Internet Talk CC	2005/055569/23
Golden Locks Hair CC	2011/038968/23
Moneybox Investments 320 (Pty) Ltd	2012/052889/07
Censibel (Pty) Ltd	2013/028482/07

CAPITAL STRUCTURE

1. CAPITAL AT INCORPORATION

At incorporation, the Company's authorised capital comprised R1 000 divided into 1 000 ordinary shares of R1,00 each and the issued share capital comprised R100 divided into 100 ordinary shares of R1.00 each, which were issued to the subscribers to the memorandum and then transferred to Vunani Properties when the shelf company was purchased.

2. SUMMARY OF ALTERATIONS TO THE CAPITAL AND UNITS ISSUED IN THE LAST THREE YEARS

On 12 April 2006:

- The authorised share capital of R1 000 divided into 1 000 ordinary shares of R1,00 each was sub-divided into 100 000 ordinary shares of R0,01 each and the issued share capital of R100 was sub-divided into 10 000 ordinary shares of R0,01 each;
- The authorised share capital was increased from R1 000 divided into 100 000 ordinary shares of R0,01 each to R1 000 000 divided into 100 000 000 ordinary shares of R0,01; and
- The following units were issued at R10,00 each when Vunani and Hyprop Investments Limited ("Hyprop") pooled their respective commercial properties into a black-owned and controlled property fund as follows:

Name of shareholder	Number of shares	%
Vunani Properties	7 156 512	50,2
Hyprop	7 099 488	49,8
	14 256 000	100,0

The shares are linked to an equivalent number of debentures in terms of the Debenture Trust Deed.

Resulting in a unit capital as follows:

Shares	Rand
Authorised	
100 000 000 ordinary shares of R0,01 each	1 000 000
Issued	
14 256 000 ordinary shares of R0,01 each	142 560
Debentures	
Issued	
14 256 000 debentures at R9,99 each	142 417 440

A shareholders' special resolution was passed on 10 March 2011 in terms of which:

- The authorised share capital of R1 000 000 divided into 100 000 000 ordinary shares of R0,01 each was sub-divided into 400 000 000 ordinary shares of R0,0025 each and the issued share capital of R142 560 divided into 14 256 000 ordinary shares was sub-divided into 57 024 000 ordinary shares of R0,0025 each; and
- The authorised share capital was increased from R1 000 000 divided into 400 000 000 ordinary shares of R0,0025 each to R5 000 000 divided into 2 000 000 000 ordinary shares of R0,0025 each, resulting in a share capital as follows:

Shares	Rand
Authorised	
2 000 000 000 ordinary shares of R0,0025 each	5 000 000
Issued	
57 024 000 ordinary shares of R0,0025 each	142 560
Debentures	
Issued	
57 025 000 debentures at R2,4975 each	142 417 440

Further issues of units

On 11 August 2011, the Company issued 63 594 081 units at an issue price of R7,05 each pursuant to the Company's listing.

General

Other than as detailed above, no other units have been issued by VPIF. No units have been repurchased.

3. AUTHORISED AND ISSUED UNIT CAPITAL

The authorised unit capital, before and after the rights offer, is set out below.

Before the rights offer	R'000
Authorised	
2 000 000 000 ordinary shares of 0,0025 cent each	5 000
Issued	
120 618 080 ordinary shares of 0,0025 cent each, linked to	301
120 618 080 unsecured variable rate debentures with a nominal value of R2,4975 each	301 244
Debenture premium	286 722
	588 267

After the rights offer	R'000
Authorised	
2 000 000 000 ordinary shares of 0,0025 cent each	5 000
Issued	
169 122 019 ordinary shares of 0,0025 cent each, linked to	423
169 122 019 unsecured variable rate debentures with a nominal value of R2,4975 each	422 382
Debenture premium	621 985
	1 044 790

No units have been reserved for issue in terms of a Share Incentive Scheme.

There are no treasury units.

All the authorised and issued units are of the same class and rank *pari passu* in every respect.

Where applicable, the units were created and issued in terms of the MOI and the Debenture Trust Deed.

There are no preferential conversion and/or exchange rights pertaining to any of the units. The rights to dividends, interest, profits, capital and rights on liquidation or distribution of capital assets are set out in Appendices VI and VII to these Revised Listing Particulars.

4. VARIATION OF RIGHTS ATTACHING TO UNITS

In accordance with the MOI and the Companies Act, any variation of rights attaching to its units may only be changed by the board, in the manner contemplated in section 36(3) of the Companies Act, except to the extent that the MOI provides otherwise.

Section 36(3) of the Companies Act provides as follows:

Except to the extent that a Company's MOI provides otherwise, the Company's board may:

- increase or decrease the number of authorised shares of any class of shares;
- reclassify any classified shares that have been authorised but not issued;
- classify any unclassified shares that have been authorised; and
- determine the preferences, rights, limitations or other terms of shares in a class.

5. VOTING RIGHTS

In terms of section 37(2) of the Companies Act, each share will have one voting right attaching to it except if the Companies Act or the MOI provides otherwise.

6. AUTHORISATIONS RELATING TO UNITS

The directors currently have unitholders' authority, until the date of the annual general meeting for the 2013 financial year, to issue up to 10% of the issued capital at their discretion.

7. DEBENTURES

The debentures are governed by the Debenture Trust Deed. Extracts from the Debenture Trust Deed are set out in Annexure E to these Revised Listing Particulars.

EXTRACTS FROM THE DEBENTURE TRUST DEED

EXTRACTS FROM THE DEBENTURE TRUST DEED

1. DEFINITIONS

"1.2.14 **"Ordinary Resolution"** means a resolution passed at a properly constituted meeting of Debenture Holders, upon a show of hands, by a majority of the Debenture Holders voting in person or by proxy, or, if a poll is duly demanded, by a majority of the votes cast at such poll by Debenture Holders voting in person or by proxy;"

"1.2.16 **"Prime Rate"** means the prime rate of interest from time to time as charged by SBSA to its most favoured corporate customers, as certified by a manager of SBSA, whose authority and designation it shall not be necessary to prove;"

"1.2.17 **"Record Date"** shall bear the meaning ascribed thereto in section 1 of the Companies Act as read with the JSE Listings Requirements, subject to the following:

1.2.17.1 the references in section 1 and 59 of the Companies Act to "shareholders" and "shareholdings" shall be deemed to be a reference to "Debenture Holders" and "debenture holdings"; and

1.2.17.2 the Record Date must fall on a Friday, unless the Friday is a public holiday, in which event the Record Date shall fall on the last trading day of the week;"

"1.2.22 **"Special Resolution"** means a resolution passed at a properly constituted meeting of Debenture Holders, upon a show of hands, by a majority consisting of not less than 75% (seventy five percent) of the Debenture Holders present in person or by proxy or, if a poll is duly demanded, by a majority consisting of not less than 75% (seventy five percent) of the votes cast at such poll by Debenture Holders voting in person or by proxy;"

"2. CREATION OF THE DEBENTURES AND SUBSCRIPTION THEREFOR

2.1 The Board

2.1.1 may authorise the Company to create and issue secured or unsecured debt instruments at any time, including additional Debentures, except to the extent provided otherwise by the Company's Memorandum of Incorporation and any such debt instrument shall be subject to the JSE Listings Requirements;

2.1.2 shall be required to determine whether each such debt instrument is secured or unsecured; and

2.1.3 shall have all powers vested in them under the Companies Act as read with the Company's Memorandum of Incorporation, including the power to consolidate, subdivide and redeem the Debentures or any of them, subject to compliance with the Company's Memorandum of Incorporation, the JSE Listings Requirements and this Deed;

2.2 The Company has created a total of 2 000 000 000 (two billion) Debentures, and of these Debentures, 57 024 000 (fifty seven million and twenty four thousand) have prior to the date of coming into existence of this Debenture Trust Deed, been allotted and issued, in equal shares, to the existing Linked Unit Holders, in the form of Linked Units.

2.3 The Debentures may be issued to such persons and on such terms and conditions and with such rights and restrictions attaching thereto as the Board shall determine, upon and subject to the terms of this Deed, provided that such Debentures shall be offered to the existing Debenture Holders *pro rata* to their holding of Debentures in question in the Company, unless:

2.3.1 issued in relation to the acquisition of properties (whether directly or indirectly);

2.3.2 by way of an issue of Linked Units for cash or in discharge of liabilities, on terms approved by not less than 75% (seventy five percent) of the Linked Unit Holders present or represented at a meeting of the Linked Unit Holders convened to approve such issue; or

2.3.3 save as is contemplated in clauses 2.3.1 and 2.3.2 hereof, otherwise empowered by a general meeting of the registered holders of securities in the Company.

2.4 Subject to the provisions of the JSE Listings Requirements, no Debenture may be issued, sold or transferred unless linked indivisibly to a share so as to form a Linked Unit, unless shareholders holding at least 90% (ninety percent) of the issued share capital in the Company and Debenture Holders holding at least 90% (ninety percent) of the issued Debentures in the Company, agree otherwise.

2.5 Subject to the provisions of the Companies Act, the Company may pay commission not exceeding 10% (ten percent) of the issue price to any person in consideration of his subscribing or agreeing to subscribe, whether absolutely or conditionally, for any shares, Debentures or Linked Units of the Company, or for his procuring or agreeing to procure subscriptions, whether absolute or conditional, for any shares, Debentures or Linked Units of the Company.

2.6 The capital amount of the loan to the Company assuming that all the Debentures, which are created, are issued at their face value, will be R4 995 000 000 (four billion nine hundred and ninety five million rand).

2.7 No amounts other than repayments of principal and interest are payable by the Company to the Debenture Holders.

2.8 All subscription monies payable in respect of the debentures shall be paid to or for the benefit of the Company in the manner prescribed in the Pre-Listing Statement.

5. OBLIGATION TO PAY PRINCIPAL AND INTEREST

The Company binds itself to pay to the Debenture Holders or to the Trustee on behalf of and in trust for such holders, the respective sums which shall become due to such holders for principal and interest upon the Debentures at the times at which those sums become due in terms of this Deed."

6. INTEREST

6.1 The Debentures will bear interest at a variable rate per annum as calculated and determined in accordance with the provisions of this clause 6.

6.2 Each Debenture shall confer on the holder thereof the right to receive interest which shall be calculated:

6.2.1 in respect of each half yearly period determined by reference to clause 6.7 and in this regard, the aggregate amount available for distribution as Interest shall, in respect of the relevant half year accounting period be based on the unaudited interim financial statements of the Company and in respect of the full year, the audited financial statements for the financial year of the Company concerned; and

6.2.2 be calculated in accordance with the following formula in respect of each half yearly period as aforesaid:

"the distributable income for the half yearly period concerned divided by the number of Debentures in issue on the applicable Record Date"

6.3 For the purposes of the above, **"distributable income"** shall be determined by the Board in accordance with the following formula:

DI = A – B – C – D + E – F

Where:

DI = distributable income;

A = gross income generated by the Company including recoveries;

B = operating expenses of the Company taking into account property management fees as well as allowances for non-cash flow items in respect of:

i) tenant installations, amortised on the straight line basis over the period of each relevant lease;

ii) depreciation on capital expenditure, at rates and over periods determined in accordance with IFRS; and

iii) commission payable to leasing agents, amortised over the period of each relevant lease;

C = interest costs incurred by the Company, but excluding interest paid or payable on the Debentures);

D = any taxation payable by the Company, excluding deferred taxation;

[E = any normal taxation credits received or receivable excluding deferred taxation**]**; and

F = any dividends declared on the Ordinary Shares.

6.4 In arriving at the distributable income, the Board shall exclude exceptional, extraordinary or abnormal items and all profits and losses of a capital nature.

6.5 In the event of the Board being in doubt as regards the determination of distributable income, the board shall refer the matter to an appropriate independent advisor appointed by the Board, acting as an expert and not as an arbitrator, whose decision shall be final and binding, in the absence of manifest error, on the Board. In the event of a dispute as to the appropriateness of the advisor, the chairman of the Company board shall determine the advisor.

6.6 In the aggregate, not less than 100% (one hundred percent) of the distributable income for each financial year shall be paid to the Debentures Holders in accordance with the above provisions, provided that the Board shall, for the purposes of calculation, be entitled in their discretion (subject to the Statutes, and if the Debentures are listed on the JSE, the JSE Listings Requirements) to ignore or round off downward fractions of a cent in effecting payment of any interest on any Debentures.

6.7 Interest shall be paid on Debentures at half yearly periods ending on 30 June and 31 December in each financial year of the Company, and will be payable on the earlier of the date upon which dividends in respect of the Ordinary Shares are payable or 4 (four) months after the end of each financial year of the Company, or the half yearly periods of 30 June and 31 December, as the Board in its discretion determines.

6.8 The first payment of interest shall be in respect of the period from the Listing Date to 31 December 2011.

6.9 Only Debenture Holders registered as such on the relevant Record Date shall be entitled to the payment of interest.

6.10 If at the relevant Record Date, the Company's Debentures are listed on the JSE, the Company shall be obliged to publish notice of the relevant Record Date in compliance with the JSE Listings Requirements.

6.11 Interest less any withholding tax thereon, if any, required to be deducted by the Company, shall be paid by cheque drawn on a bank in South African currency without provision for exchange or bank commission and at the risk of Debenture Holders.

6.12 If the Company changes the date upon which its financial year ends, the Company is authorised by the Debenture Holders to change the dates by reference to which the interest is calculated, falls due, accrues and becomes payable, provided that:

6.12.1 the rights of the Debenture Holders to interest on their Debentures shall not be diminished or adversely affected by such changes;

6.12.2 the changes are approved by the Trustee, which approval shall not unreasonably be withheld;

6.12.3 the Company shall forthwith notify Debenture Holders by circular of the changes made."

"8. REPAYMENT AND REDEMPTION OF DEBENTURES

8.1 The debentures shall become repayable at their nominal value forthwith, subject to clause 9.4.1, if a final order of a competent court is made or an effective resolution is passed for the winding up of the Company, or if the Company commits a material breach of a material obligation under this Trust Deed or if the Company commits an act of default as specified in this Trust Deed which is not remedied by the Company, or if not remedied, sanctioned or condoned, as the case may be, by the Debenture Holders under the terms of this Deed.

8.2 The debentures shall be redeemable as follows:

8.2.1 each issue of Debentures governed by this Deed shall be redeemable at the instance of the Debenture Holders at any time after 25 (twenty five) years after the date of allotment of the relevant Debentures;

8.2.2 the Debenture Holders may exercise the right to require the Debentures to be redeemed in accordance with clause 8.2.1, only by Special Resolution;

8.2.3 upon the passing of the Special Resolution referred to in clause 8.2.2, the Debentures shall be redeemed by the Company at their nominal value on the 5th (fifth) anniversary of the date upon which the Special Resolution referred to in clause 8.2.2 is passed;

8.2.4 the procedure to be followed by the Company in regard to the redemption shall be determined by the Company at the appropriate time and be approved by the Trustee, which approval shall not unreasonably be withheld or delayed, and if the Debentures are listed, by the JSE;

8.2.5 any such redemption by the Company shall have the effect of cancelling the Debentures redeemed and such Debentures may not be re-allotted or reissued.

8.3 The Company shall have the right at any time to purchase Debentures which do not form part of Linked Units or subject to compliance with the Companies Act, and the requirements of the JSE, as Linked Units. Any repurchases shall have the effect of cancelling the Debentures purchased and shall be deemed to have been repaid in full by the Company. Such Debentures may not be re-allocated or re-issued and the Company shall promptly notify the Trustee and the JSE of the purchases made.

8.4 The rights of Debenture Holders to repayment of the capital are subordinated to the claims of the creditors of the Company and the Trustee is hereby authorised to do all such things as may be necessary or appropriate to give effect to the aforesaid subordination in terms of this Deed.

9. SUMMARY REPAYMENT OF DEBENTURES

9.1 The Debentures together with all interest accrued thereon and all other moneys payable in terms of this Deed, if any, shall become immediately repayable on the happening of any of the following events (without, for the avoidance of doubt, any notice of any nature whatsoever (not limited ejusdem generis) having to be given by the Trustee other than in the case where one of the following events expressly includes a notice by the Trustee as forming part of the event):

9.1.1 the Company defaults in the payment of any interest or principal moneys on the Debentures and continues such default for more than 21 (twenty one) days after receipt by it of a written notice from the Trustee demanding that the payment be made;

9.1.2 if the Company commits any breach of any of its obligations under this Deed (other than a default in payment as set out in clause 9.1.1 or any of the other breaches contemplated in this clause 9.1) and, within 21 (twenty one) days after receipt by the Company of a notice in writing from the Trustee requiring the breach to be remedied, shall fail to remedy the breach if in the circumstances operating at the time it can reasonably be remedied within that period or, if it cannot in those circumstances reasonably be remedied within that period, shall fail within that period to initiate all proper steps towards its remedy and thereafter to pursue them until the remedy is complete, or, if it is a breach that cannot be remedied, shall fail within that period to initiate and thereafter to pursue all proper steps designed to cause it to cease and to prevent its recurrence;

9.1.3 a final order shall be made or an effective resolution passed for the winding-up of the Company;

9.1.4 any final court order is issued placing the Company under business rescue proceedings;

9.1.5 the board of the Company resolves to commence business rescue proceedings as a result of which a business rescue practitioner is appointed in respect of the Company;

9.1.6 any material Assets of the Company are attached under a writ of execution issued out of any court and the writ is not satisfied within 14 (fourteen) days after the attachment came to the notice of the Board, or application to rescind is not made within 30 (thirty) days after the attachment came to the notice of the Board and such application to rescind is not proceeded with timeously or is refused, provided that the refusal by a court to grant an application for rescission shall not be deemed to be a refusal until it becomes final and not subject to appeal or further appeal, provided that in any event the provisions of this clause 9.1.5 shall only apply if the effect of any such attachment is likely to have a material effect on the Company's financial position;

9.1.7 the Company makes any alteration to the provisions of its memorandum of incorporation which, in the opinion of the Trustee, adversely affects the interests of Debenture Holders or could do so;

9.1.8 the Company defaults or threaten to default in the payment of its liabilities generally;

9.1.9 the Company offers or agrees to enter into any general composition or compromise or arrangement with all its creditors;

9.1.10 the Company reduces its issued share capital or stated capital account (other than a reduction which does not involve any distribution or payment in cash or in kind by the Company to its shareholders or any of them or the redemption of any preference shares issued or to be issued by the Company with redemption rights or a reduction of the stated capital account for any purpose permitted by the Companies Act);

9.1.11 the Company disposes of or attempts to dispose of the whole or substantially the whole of its undertaking, or the whole or the greater part of its assets otherwise than in compliance with the provisions of section 115 of the Companies Act;

9.1.12 the Company reduces its share premium account, (other than a reduction permitted by the Companies Act or which does not involve any distribution or payment in cash or in kind by the Company to its members or any of them) or for its winding up for the purposes of reorganisation or reconstruction;

9.1.13 the Company is granted a final order or passes an effective resolution to approve and implement any fundamental transaction as contemplated in the Companies Act, including any amalgamation, demerger, merger or corporate reconstruction without the sanction of a Special Resolution; or

9.1.14 the Company ceases to carry on its business.

9.2 Upon the happening of any of the events specified in clause 9.1 coming to the notice of the Trustee, the following shall apply:

9.2.1 the Trustee may in its discretion require the Debentures together with interest accrued thereon and any other monies payable in terms of this Deed, to be repaid and may otherwise enforce this Deed or it may determine not to do so without first referring to the Debenture Holders or may determine not to do so if in the sole discretion of the Trustee, it considers that the event does not adversely affect the interests of the Debenture Holders;

9.2.2 if the Trustee determines not to do so without reference to the Debenture Holders, it shall forthwith convene a meeting of Debenture Holders who may by:

9.2.2.1 *Ordinary Resolution:*

9.2.2.1.1 direct enforcement, in which event the Trustee shall enforce this Deed; and/or

9.2.2.1.2 give other directions, including directions as to enforcement if certain conditions are not fulfilled,

and the Trustee shall obey those directions to the extent to which they are not in conflict with this Deed or are capable of being carried out, provided that before carrying out the directions the Trustee may require that provision be made by the Debenture Holders (but without in any way releasing the Company of its obligation to do so) to furnish it with the necessary funds to enable it to meet the expense of giving effect to the directions;

9.2.2.2 Special Resolution sanction the conduct of the Company.

9.3 The Trustee shall not be required to take any steps to ascertain whether any event, upon the happening of which the Debentures are liable to become repayable, shall have occurred, and unless and until the Trustee shall have been served with express written notice of such happening in the manner prescribed in clause 35, the Trustee shall be entitled to assume that no such event has taken place.

9.4 For the purposes of clause 9.1:

9.4.1 an order of court shall not be deemed to be final unless, the order being appealable, the period for noting appeal shall lapse without appeal or appeal having been noted it shall be abandoned or not proceeded with within the period prescribed by the rules of court, provided that the periods in question are to be extended to the extent (if any) that the court may permit on application by the Company against which the order is given;

9.4.2 any attachment referred to in clause 9.1.5 shall be deemed to have come to the notice of the Board within 7 (seven) days after its making unless the contrary shall be shown. The period of 7 (seven) days referred to in clause 9.1.5 shall be extended pending any proceedings begun to set aside the writ or remove the attachment until 7 (seven) days following a final and un-appealable judgment refusing such setting aside or removal. The term "writ of execution" in clause 9.1.5 does not include a writ of attachment *ad fundandam jurisdictionem* or *ad confirmandam jurisdictionem.*

9.5 A Debenture Holder shall not be entitled to enforce its rights under this Deed nor under its Debentures in any manner contemplated by the Companies Act, but all rights of enforcement shall vest in the Trustee in accordance with the provisions of this Deed.

9.6 Subject to the provisions of sections 43(7) and 43(8) of the Companies Act, the Trustee shall not be responsible for any loss to any Debenture Holder or the Company or any other person resulting from the exercise or non-exercise of the powers, authorities or discretions vested in the Trustee in terms of this Deed."

“11. **ADDITIONAL POWERS OF TRUSTEE**

11.1 The Trustee shall have at all times the following powers, in addition to the powers by law conferred on trustees:

11.1.1 power to waive or condone (but so far only as in its opinion the interests of the Debenture Holders shall not be prejudiced thereby) on such terms and conditions as the Trustee may think fit, any breach by the Company of any of the conditions hereof, but subject to any prior directions given by Special Resolution of the Debenture Holders precluding such waiver or condonation in respect of any particular type of breach or generally;

11.1.2 power instead of acting personally to employ as far as may be reasonably necessary and pay an admitted attorney, whether practising or non-practising, or any other person to transact any business or do any act of whatsoever nature required to be done pursuant to this Deed, including the receipt and payment of money and any payment made in terms of this clause 11.1.2 shall be refunded to the Trustee by the Company, provided that a Trustee engaged in any profession shall be entitled to charge and be paid by the Company all professional charges for any business or act done by it or its firm in connection with the trust;

11.1.3 power to take and act upon any expert or professional advice;

11.1.4 generally, without imposing any obligation on the Trustee in that regard, power to make any payment, incur any disbursements or expense or to perform any act which the Company should have paid, incurred or performed in discharge of its obligations under the provisions of this Deed (provided that such payment, disbursement, expense or act is not being disputed by the Company);

11.1.5 power to demand, claim, sue for and recover from the Company any moneys, costs, charges or expenses (with interest thereon compounded monthly in arrear at the Prime Rate) paid or incurred by the Trustee in satisfying any liability incurred by it in the execution of any of the trusts, powers and provisions of this Deed or in satisfying any obligations which the Company and/or its Subsidiaries has failed to discharge in terms of this Deed;

11.1.6 power to delegate any person to perform all or any acts or exercise all or any discretions which it is entitled to perform or exercise under this Deed;

11.1.7 power to borrow money on behalf of the Debenture Holders and chargeable against the capital and interest accruing to the Debenture Holders, for the purpose of providing funds which in the Trustee’s opinion are reasonably necessary to enable it to exercise any powers conferred by this Deed;

11.1.8 notwithstanding the provisions hereof, the Trustee shall be entitled, if it so deems fit, to convene a meeting of Debenture Holders to obtain from them a specific mandate in regard to anything which the Trustee might do or refrain from doing, whether or not such act is within the Trustee’s discretion and the Company shall, if so required by the Trustee, convene such meeting at the Company’s cost and expense.

11.2 The Trustee shall not be bound to exercise and shall not be liable for the non-exercise of any such power unless it has a direction of the Debenture Holders given by resolution requiring it to exercise such power but it may exercise any power if it so determines without such direction. The Trustee shall convene a meeting of Debenture Holders to enable any such direction to be given.

11.3 The powers contained in this clause shall be in addition to the powers exercisable by the Trustee in terms of the other provisions of this Deed.”

"15. CESSATION OF OFFICE OF THE TRUSTEE AND APPOINTMENT OF A NEW TRUSTEE

15.1 The Trustee and each of its successors shall remain in office until it ceases to hold office in terms of clause 15.2.

15.2 The Trustee shall cease to hold office if:

15.2.1 it shall have resigned by having given at least 60 (sixty) Business Days written notice to the Company. Such resignation shall be effective without any leave of any court or any other person. At the expiration of such period of notice the Trustee shall be discharged from the trusts hereof and shall not be responsible for any loss or costs occasioned by its resignation; or

15.2.2 being a natural person, its estate shall be sequestrated as insolvent or it shall be placed under curatorship or, being a corporation, shall be wound up or placed (provisionally or finally) in liquidation or under judicial management; or

15.2.3 it becomes disqualified in law to hold the office of trustee; or

15.2.4 it shall be removed from office by an Ordinary Resolution.

15.3 The provisions of clauses 15.1 and 15.2 shall apply to every successive Trustee.

15.4 If the Trustee or any subsequent Trustee ceases to hold office, the Company may appoint any person, including a juristic person, as new trustee for the Debenture Holders, if:

15.4.1 the person:

15.4.1.1 is not a director or prescribed officer of the Company, or a person related or inter-related to the Company, a director or a prescribed officer; and

15.4.1.2 does not have any interest in, or relationship with, the Company that might conflict with the duties of a trustee; and

15.4.2 the Board is satisfied that the person has the requisite knowledge and experience to carry out the duties of a trustee.

15.5 Any new trustee appointed for the purpose of this Deed must:

15.5.1 satisfy the requirements of clause 15.4.1;

15.5.2 be approved by the holders of at least 75% by value of the Debentures then in issue, present at a meeting called for that purpose; and

15.5.3 be approved by the Board, whose approval the Board undertakes shall not be unreasonably withheld or delayed, except for a reason stipulated under clause 15.4.2.

15.6 The certificate of the auditors of the said professional company or its successors, as existing immediately prior to the death or cessation of office of the present Trustee or of any successor (being such a member) as to the identity of the professional company whose member is to be appointed and of the membership of such member shall be conclusive evidence of that identity.

15.7 The Trustee or its estate shall not be liable for any loss occasioned by the death, resignation or cessation of office."

"17. INDEMNITY

Subject to the provisions of sections 43(7) and 43(8) of the Companies Act and the Trust Property Control Act, 1988 (if applicable) the Company indemnifies the Trustee and any officer, employee or representative of the Trustee against all proceedings, claims, costs or demands of any nature whatever in respect of anything done or not done in terms of this Deed, including, but not limited to, any liability arising out of any mistake or error of judgment of the Trustee or any such other person, provided that:

17.1 the Trustee and such other person shall not be indemnified against any liability arising out of breach of trust if the Trustee fails to exercise that degree of care and diligence required of it as Trustee, having regard to the provisions of this Deed; but

17.2 the Trustee and such other person may be released from any liability contemplated in clause 17.1, either in respect of specific acts or omissions or on the Trustee ceasing to act, by a Special Resolution."

"29. FURTHER RIGHTS OF DEBENTURE HOLDERS

The Company shall not undertake a capitalisation issue to its ordinary shareholders and any other equity shareholders who may be entitled thereto, of securities other than Ordinary Shares, or a capitalisation issue which is paid up other than out of the share premium account of the Company, without the prior written consent of the Trustee, which consent the Trustee undertakes shall not unreasonably be withheld or delayed, and shall not be withheld if the proposed capitalisation issue does not adversely affect the interests of Debenture Holders."

"30. AMENDMENT OF TRUST DEED

30.1 Save as provided in clauses 30.2, the terms of this Deed may be amended only by the parties to it but subject to first obtaining either:

30.1.1 the consent in writing of the holders of 75% (seventy five percent) of the Debentures; or

30.1.2 the sanction of a Special Resolution of Debenture Holders.

30.2 The terms of this Deed may be amended by agreement between the Trustee and the Company:

30.2.1 to such extent only as may be necessary to comply with the requirements of the JSE if the Debentures are or are to be listed;

30.2.2 to correct any manifest typographical or descriptive error."

EXTRACT FROM THE MOI

1. INTERPRETATION

In this MOI:

1.1 words that are defined in the Companies Act but not defined in this MOI will bear the same meaning in this as in the Companies Act read where necessary with definitions in the JSE Listings Requirements. For ease of reading, such terms have been capitalised in this MOI:

1.2 unless the context otherwise requires:

1.2.1 **"Companies Act"** means the Companies Act, No. 71 of 2008, as amended or any legislation which replaces it;

1.2.2 **"Company"** means Vunani Property Investment Fund Limited (Registration Number: 2005/019302/06) or by whatever other name it may be known from time to time;

1.2.3 **"Debentures"** means the unsecured, variable rate debentures in the Company having a nominal value of R2,4975 (two comma four nine seven five rand), and which debenture is indivisibly linked to one Share, the terms of which are governed by the Debenture Trust Deed;

1.2.4 **"Debenture Trust Deed"** means the written debenture trust deed entered into on or about June 2011 between the Company and Fluxmans Inc (as trustee for the Debenture holders), governing the terms and conditions of the Debentures;

1.2.5 **"Deliver"** means deliver in the manner in which the Company is entitled to give notice or deliver documents in accordance with clause 33 (Notices) and the Companies Act;

1.2.6 **"Effective Date"** means 1 May 2011;

1.2.7 **"Electronic Address"** means in regard to Electronic Communication, any email address furnished to the Company by the Holder;

1.2.8 **"Gazette"** means the Government Gazette of the Republic of South Africa;

1.2.9 **"Holders"** means registered holders of Securities of the Company from time to time;

1.2.10 **"Ineligible or Disqualified"** means ineligible or disqualified as contemplated in the Companies Act and, in addition as contemplated in clause 22 which shall apply not only to Directors and Alternate Directors but also to members of Board committees and members of Audit committees and Prescribed Officers and the secretary of the Company;

1.2.11 **"JSE"** means the exchange operated by JSE Limited (Registration No. 2005/022939/06) (or any other name by which it may be known in the future) or its successor body;

1.2.12 **"JSE Listings Requirements"** means the listings requirements from time to time for companies listed on the JSE;

1.2.13 **"Linked Units"** means one ordinary Share linked to one Debenture;

1.2.14 **"Linked Unit Holders"** means the holders of Linked Units;

1.2.15 **"MOI"** means this Memorandum of Incorporation;

1.2.16 **"Participant"** means a depository institution accepted by a Central Securities Depository as a participant in the Securities Services Act;

1.2.17 **"Republic"** means the Republic of South Africa;

1.2.18 **"Regulations"** means regulations published pursuant to the Companies Act;

1.2.19 **"Securities Services Act"** means the Securities Services Act, No. 36 of 2004 (as amended from time to time) or any Act which replaces it;

1.2.20 **"SENS"** means the Securities Exchange News Service, or its successor;

1.2.21 **"Uncertificated Securities"** means securities as defined in the Securities Services Act which are by virtue of the Companies Act transferable without a written instrument and are not evidenced by a certificate;

1.2.22 **"Writing"** includes Electronic Communication but as regards any Holder entitled to vote, only to the extent that such Holder has notified the Company of an Electronic Address;

4. POWERS AND CAPACITY OF THE COMPANY

4.1 The Company has the powers and capacity of an Individual save to the extent that a Juristic Person is incapable of exercising any such power, or having any such capacity

4.1 Save to the extent otherwise permitted by the Companies Act, the Shareholders may not ratify any action by the Company or the Directors that is inconsistent with any such limit, restriction or qualification applicable to such action.

4.2 Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do, if so authorised by this MOI.

5. AMENDMENTS TO THE MOI

5.1 Save for correcting errors substantiated as such from objective evidence or which are self evident errors (including, but without limitation *ejusdem generis*, spelling, punctuation, reference, grammar or similar defects) in the MOI, which the board is empowered to do, all other amendments of the MOI shall be effected in accordance with section 16(1) of the Companies Act and a Special Resolution passed by the Holders of the ordinary Shares The Board shall publish a copy of any such correction effected by the board on the Company's web site.

5.2 In accordance with the JSE Listings Requirements, an amendment to the MOI shall be deemed to include, but not be limited to the:

5.2.1 creation of any class of Shares;

5.2.2 variation of any preferences, rights, limitations or other Share terms attaching to any class of Shares;

5.2.3 conversion of one class of Shares into one or more other classes;

5.2.4 increase in the number of authorised Securities;

5.2.5 consolidation of Securities;

5.2.6 sub-division of Securities;

5.2.7 change of name of the Company; and

5.2.8 conversion of Shares from par value to no par value.

6. THE MAKING OF RULES

The Board shall not have the capacity to make any Rules relating to the governance of the Company in respect of matters that are not addressed in the Act or MOI.

7. AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE

7.1 The Company is authorised to issue 2 000 000 000 (two billion) Linked Units (which includes Linked Units already issued at any time).

7.2 The Board shall not have the power to amend the authorisation (including increasing or decreasing the number) and classification of Shares (including determining rights, limitations, preferences or other terms) as contemplated in section 36(2)(b) or 36(3) of the Companies Act.

7.3 To the extent that the Company immediately before the Effective Date has authorised but unissued Linked Units in its capital of a class of which there are Linked Units, the unissued Linked Units of that class may be issued by the directors at par or at a premium or at a discount.

7.4

7.4.1 All Securities of a class shall rank *pari passu* in all respects.

7.4.2 All or any of the rights, privileges or conditions for the time being attached to any class of Securities of the Company may (unless otherwise provided by the terms of issue of the Securities of that class) whether or not the Company is being wound up, be varied in any manner with the consent in Writing of the Holders of not less than 75% (seventy five per cent) of the issued Securities of that class, or with the sanction of a Special Resolution passed at a separate meeting of the Holders of that class.

7.4.3 The Holders of that class of Securities shall also be entitled to vote with the Holders of the ordinary Shares as regards the passing of any resolution required to be passed for such variation by the Holders of the ordinary Shares, provided that:

7.4.3.1 a Holder of that class of Securities shall have so many votes as determined in accordance with the provisions of clause 19.32 below;

7.4.3.2 the total voting rights of all of the Holders of that class of Securities shall not exceed 25% (twenty five percent) of the total voting rights of all Persons entitled to vote at such a meeting; and

7.4.3.3 the votes of the Holders of that class of Securities shall not carry any special rights or privileges;

7.4.3.4 no resolution of Shareholders of the Company shall be proposed or passed, unless a special resolution of the Holders of the Shares in that class approved the amendment. The provisions of this MOI relating to Shareholders Meetings shall *mutatis mutandis* apply to any such separate meeting except that:

7.4.3.4.1 the necessary quorum shall be the Holders of that class present in person, or represented by proxy and holding at least 25% (twenty five percent) of the Shares of that class;

7.4.3.4.2 if at any adjourned meeting of such Holders, the required quorum contemplated in clause 7.4.3.4 is not present, those Persons entitled to vote who are Present shall be a quorum.

7.5 Notwithstanding any implication in this MOI to the contrary, the Board may not authorise any financial assistance in any way whatsoever by the Company for the purposes of, or in connection with, the acquisition of its Securities or those of a related or inter-related company without complying with section 44(3) of the Companies Act.

8. AUTHORITY TO ISSUE SECURITIES

8.1 The Board shall not have the power to issue authorised Securities (other than as contemplated in clause 4.1) without the prior approval contemplated in clause 4.1 and the approval of the JSE (to the extent legally necessary).

8.2 As regards the issue of Shares:

8.2.1 No Share may be issued, sold or otherwise transferred unless it is indivisibly linked to a Debenture issued in terms of the Debenture Trust Deed and no Debenture may be issued, sold or otherwise transferred unless it is indivisibly linked to a Share so as to form a Linked Unit (unless the Holders otherwise agree in accordance with the requirements as set out in the Companies Act and the Listings Requirements).

8.2.2 The Directors shall not have the power to allot or issue a Share, as contemplated in sections 41(1) and (3) of the Companies Act, without the prior approval of a Special Resolution.

8.2.3 The Directors shall not have the power to allot or issue any Shares without the prior approval of an Ordinary Resolution of the Holders and to the extent necessary the approval of the JSE.

8.3 No special privileges may be granted to secured and unsecured debt instruments as contemplated in section 43(3) of the Companies Act.

8.4 Any such approval may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any such Securities contemplated in clauses 8.1 and 8.2.2 and 8.2.3 in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of such Securities contemplated in clauses 8.2.2 and 8.2.3. Such authority shall endure for the period provided in the Ordinary or Special Resolution in question but may be revoked by Ordinary Resolution or Special Resolution, as the case may be, at any time.

8.5 The Board may issue capitalisation Shares or offer a cash payment in lieu of awarding a capitalisation Share, in accordance with section 47 of the Companies Act.

8.6 No Shares of a class which is listed may be issued other than as fully paid.

21. FIRST DIRECTORS, ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS AND CASUAL VACANCIES

21.1 The minimum number of Directors shall be not less than 4 (four). Any failure by the Company at any time to have the minimum number of Directors, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.

21.2 At the Annual General Meeting held in each year 1/3 (one third) of the Directors, or if their number is not a multiple of 3 (three), then the number nearest to, but not less than 1/3 (one third) shall retire from office. The Directors so to retire at each Annual General Meeting shall be those who have been longest in office since their last election. As between Directors of equal seniority, the Directors to retire shall, in the absence of agreement, be selected from among them by lot: Provided that notwithstanding anything herein contained, if, at the date of any Annual General Meeting any Director will have held office for a period of 5 (five) years since her/his last election or appointment she/he shall retire at such Meeting, either as one of the Directors to retire in pursuance of the foregoing or additionally thereto. A retiring Director shall act as a Director throughout the Meeting at which she/he retires. The length of time a Director has been in office shall be computed from the date of her/his last election. Retiring Directors shall be eligible for re election. No Person other than a Director retiring at the Meeting shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any Annual General Meeting unless, not less than 7 (seven) days nor more than 14 (fourteen) days before the day appointed for the Meeting, there shall have been given to the secretary notice In Writing by some Holder duly qualified to be present and vote at the Meeting for which such notice is given of the intention of such Holder to propose such Person for election and also notice In Writing signed by the Person to be proposed of her/his willingness to be elected. If at any Annual General Meeting, the place of any retiring Director is not filled, she/he shall if willing continue in office until the dissolution of the Annual General Meeting in the next year, and so on from year to year until her/his place is filled, unless it shall be determined at such Meeting not to fill such vacancy.

21.3 Each of the Directors and the Alternate Directors, other than a Director contemplated in clause 21.91, shall be elected (which in the case of a vacancy arising shall take place at the next Annual General Meeting), in accordance with clause 21.6, to serve for a term of 5 (five) years as a Director or Alternate Director. An Alternate Director shall serve in the place of 1 (one) or more Director/s named in the resolution electing her/him during the Director's/s' absence or inability to act as Director. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, she/he shall have a separate vote, on behalf of each Director she/he is representing in addition to her/his own vote, if any.

21.4 There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act. The board with the assistance of the nominations committee must make recommendations to the Holders regarding the eligibility of Persons nominated for election as Directors, taking into account their past performance and contribution, if applicable. A brief curriculum vita of each Person standing for election or re-election as a Director at a Meeting or the Annual General Meeting, must accompany the notice of the Meeting.

21.5 No Director shall be entitled to appoint any Person as an Alternate Director to himself/herself.

21.6 In any election of Directors and Alternate Directors, the election is to be conducted as follows:

21.6.1 a series of votes of those entitled to exercise votes regarding such election, 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; and

21.6.2 in each vote to fill a vacancy:

21.6.2.1 each voting right entitled to be exercised may be exercised once; and

21.6.2.2 the vacancy is filled only if a majority of the voting rights exercised support the candidate.

21.7 No Person shall be elected as a Director or Alternate Director, if she/he is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director or Alternate Director nor act as a Director or Alternate Director. A Person placed under probation by a court must not serve as a Director or an Alternate Director unless the order of court so permits

21.8 No election of a Director shall take effect until he/she has delivered to the Company a Written consent to serve.

21.9 Any casual vacancy occurring on the board may be filled by the board, but so that the total number of the Directors shall not at any time exceed the maximum number fixed, if any, but the Individual so appointed shall cease to hold office at the termination of the first Shareholders Meeting to be held after the appointment of such Individual as a Director unless she/he is elected at such Shareholders Meeting.

21.10 The continuing Directors (or sole continuing Director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this MOI as the minimum, the continuing Directors or Director may act only for the purpose of summoning a Shareholders Meeting or filling vacancies as soon as possible but in any event not later than 3 (three) months from the date that the number falls below the minimum. The failure by the Company to have the minimum number of Directors during the three month period does not limit or negate the authority of the board of Directors or invalidate anything done by the board of Directors or the Company.

21.11 If there is no Director able and willing to act, then any Holder entitled to exercise voting rights in the election of a Director may convene a Shareholders Meeting for the purpose of appointing Directors.

23. REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF BOARD COMMITTEES

23.1 The Directors or Alternate Directors or members of Board committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of Board Committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years. In addition, the Directors and Alternate Directors shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the Directors and Holders, and the members of the Board committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of the Board committees as determined by a disinterested quorum of Directors.

23.2 A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a subsidiary of, the Company and in that event, his/her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors.

25. GENERAL POWERS AND DUTIES OF DIRECTORS

25.1 Subject to any provision of the Companies Act, the JSE Listings Requirements and this MOI to the contrary, the powers of management granted to the Directors in terms of section 66(1) of the Companies Act are not limited.

25.2 The Directors may:

25.1.1 establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and

25.2.1 give pensions, gratuities and allowances to and make payments for or towards the insurance of,

any persons who are employees or ex-employees (including Directors or ex-Directors) of the Company, or of any company which is or was a subsidiary of the Company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

25.3 The Board must appoint a chief executive officer and an executive financial Director. The board may from time to time appoint one or more of the Directors to the office of managing Director or manager (provided always that the number of Directors so appointed as managing Director or joint managing Directors and/or the holders of any other executive office including a chairperson who holds an executive office but not a chairperson who is a non-executive Director shall at all times be less than ½ (one half) of the number of Directors in office) for such period (not exceeding 5 (five) years) and at such remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms they may think fit, and it may be made a term of her/his appointment that she/he be paid a pension, gratuity or other benefit on her/his retirement from office. The Board may from time to time entrust to and confer upon a managing Director or manager for the time being such of the powers vested in the Directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as they may think expedient; and they may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the Directors, and may from time to time revoke or vary all or any of such powers. A managing Director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the Directors and after powers have been conferred upon her/him by the Board in terms hereof she/he shall be deemed to derive such powers directly from this clause.

27. PERSONAL FINANCIAL INTERESTS OF DIRECTORS

27.1 For the purposes of this clause 27 *(Personal Financial Interests of Directors)*, “Director” includes an Alternate Director, a Prescribed Officer, and a person who is a member of a committee of the Board, irrespective of whether or not the Person is also a member of the Board.

27.2 If a Person is the only Director, but does not hold all of the Beneficial Interests of all of the issued Securities of the Company, that Person may not:

27.2.1 approve or enter into any agreement in which the Person or a Related Person has a Personal Financial Interest; or

27.2.2 as a Director, determine any other matter in which the Person or a Related Person has a Personal Financial Interest, unless the agreement or determination is approved by an Ordinary Resolution after the Director has disclosed the nature and extent of that Personal Financial Interest to those entitled to vote on such Ordinary Resolution.

27.3 At any time, a Director may disclose any Personal Financial Interest in advance, by delivering to the Board, or Holders (if the Company is one contemplated in clause 27.2), a notice in Writing setting out the nature and extent of that Personal Financial Interest, to be used generally by the Company until changed or withdrawn by further Written notice from that Director.

27.4 If a Director (whilst the Company is not a company contemplated in clause 27.2), has a Personal Financial Interest in respect of a matter to be considered at a meeting of the Board, or Knows that a Related Person has a Personal Financial Interest in the matter, the Director:

27.4.1 must disclose the Personal Financial Interest and its general nature before the matter is considered at the meeting;

27.4.2 must disclose to the meeting any material information relating to the matter, and Known to the Director;

27.4.3 may disclose any observations or pertinent insights relating to the matter if requested to do so by the other Directors;

27.4.4 if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in clauses 27.4.2 or 27.4.3;

27.4.5 must not take part in the consideration of the matter, except to the extent contemplated in clauses 27.4.2 or 27.4.3;

27.4.6 while absent from the meeting in terms of this clause 27.4:

27.4.6.1 is to be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute a quorum; and

27.4.6.2 is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted; and

27.4.7 must not execute any document on behalf of the Company in relation to the matter unless specifically requested or directed to do so by the Board.

27.5 If a Director acquires a Personal Financial Interest in an agreement or other matter in which the Company has a material interest, or Knows that a Related Person has acquired a Personal Financial Interest in the matter, after the agreement or other matter has been approved by the Company, the Director must promptly disclose to the Board, or to the Holders entitled to vote (if the Company is a company contemplated in clause 27.2), the nature and extent of that Personal Financial Interest, and the material circumstances relating to the Director or Related Person's acquisition of that Personal Financial Interest.

27.6 A decision by the Board, or a transaction or agreement approved by the Board, or by the Holders (if the Company is a company contemplated in clause 27.2), is valid despite any Personal Financial Interest of a Director or Person Related to the Director, only if:

27.6.1 it was approved following the disclosure of the Personal Financial Interest in the manner contemplated in this clause 27 *(Personal Financial Interests of Directors);* or

27.6.2 despite having been approved without disclosure of that Personal Financial Interest, it has subsequently been ratified by an Ordinary Resolution following disclosure of that Personal Financial Interest or has been declared to be valid by a court in terms of section 75(8) of the Companies Act.

31. DISTRIBUTIONS

31.1 The Company may:

31.1.1 make Distributions from time to time, provided that:

31.1.1.1 any such Distribution:

31.1.1.1.1 is to be payable to Shareholders registered as such at a date subsequent to the date of declaration or date of confirmation of the Distribution, whoever is the later;

31.1.1.1.2 is pursuant to an existing legal obligation of the Company, or a court order; or

31.1.1.1.3 has authorised by the Board, by resolution and, save in the case of a *pro rata* payment to all Shareholders (except one which results in Shareholders holding Shares in an unlisted entity) or cash dividends paid out of retained income or capitalisation issues or scrip dividends incorporating an election to receive either capitalisation Shares or cash, it has been sanctioned by Ordinary Resolution;

31.1.1.1.4 made by the Company in general meeting, is not larger than that declared by the Directors;

31.1.1.2 it reasonably appears that the Company will satisfy the solvency and liquidity test in the Companies Act immediately after completing the proposed Distribution; and

31.1.1.3 the Board, by resolution, has acknowledged that it has applied the solvency and liquidity test in the Companies Act and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed Distribution;

31.1.1.4 no obligation is imposed, if it is a distribution of capital, that the Company is entitled to require it to be subscribed again;

31.1.2 must before incurring any debt or other obligation for the benefit of any Holders, comply with the requirements in clause 1.1.1,

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 1.1.1, failing which it must again comply with the aforegoing.

31.2 No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 1.1.1, shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.

31.3 All unclaimed

31.3.1 monies (including, but not limited to Distributions other than dividends) due to Holders shall be held in trust indefinitely until lawfully claimed;

31.3.2 dividends may be invested or otherwise be made use of by the Directors for the benefit of the Company until claimed, provided that any dividend (but not any other Distribution which shall be held by the Company until lawfully claimed) remaining unclaimed for a period of not less than 3 (three) years from the date on which it became payable may be forfeited by resolution of the Directors for the benefit of the Company.

31.4 The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed Distributions, to any one of the Company's bankers from time to time.

CORPORATE GOVERNANCE

The board is committed to complying with the Code of Governance Principles as set out in King III ("King III"). The board further aims to apply the best practice recommendations, as set out in King III, in a manner that reflects the stature, market position and size of the Company.

The Company subscribes to the principles of collaboration, transparency, integrity and accountability. Fundamental to the translation of these into corporate responsibilities and the achievement of financial objectives is an effective system of corporate governance. This is entrenched by the Company's procedures governing corporate conduct, with particular emphasis on the qualitative aspects.

The board complies with the mandatory corporate governance requirements as set out in the JSE Listings Requirements and has prepared a Register which sets out how each and every non-mandatory King III principle has been applied or explains why or to what extent any principles were not applied; this Register is available on the Company's website, www.vpif.co.za.

THE BOARD

The board currently comprises three executive, two non-executive and five independent non-executive directors, with two of the five independent non-executive directors having been appointed after year-end. The Chairman is an independent non-executive director and the Chief Executive Officer is an Executive Director. An executive Financial Director has been appointed.

The non-executive directors are independent of management and the majority are free from relationships that could affect their judgement as directors. The board is accountable to the Company, but is always cognisant of stakeholder expectations and interests. In its decision-making process, the board adopts an inclusive approach to governance.

The board Charter guides the board in all matters, from overall purpose, responsibilities and authority, to board membership, meeting procedures and ethical conduct. Various board committees, each with its own formal terms of reference, assist the board in fulfilling its varied objectives.

The board, inter alia:

- provides effective supervision and leadership based on ethical imperatives;
- directs strategy and operations for sustainable business;
- reviews the Group's strategy;
- ensures the Company is a responsible corporate citizen;
- ensures Company ethics are managed effectively through the appointment of the Social and Ethics Committee;
- tracks measurements and key performance indicators for ongoing corporate social investment;
- acts as the focal point for, and custodian of, corporate governance;
- recognises that strategy, risk, performance and sustainability are inseparable;
- will ensure that the internal audit committee is effective and independent;
- will ensure the internal audit function is effective and risk-based;
- ensures that it acts in the best interests of the Company;
- is responsible for the governance of risk;
- ensures that the Group complies with applicable laws and considers adherence to non-binding rules, codes and standards;

- would consider suitable business rescue or other turnaround proceedings if necessary;
- ensures the Chairman is independent;
- elects the Chairman annually and will deal with the succession of Deputy Chairman if necessary;
- appoints the Chief Executive Officer and, via the Remuneration Committee, reviews an effective succession plan for executive management;
- works within an established framework for effective delegation of authority;
- maintains a balance of power to ensure that no one director has unfettered powers, by appointing a majority of independent non-executive directors;
- appoints directors through a formal and transparent process involving the whole board, with assistance from the Remuneration and Nomination Committee if required based on its Terms of Reference;
- ensures development of directors is conducted through a formal process;
- is assisted by a competent, suitably qualified and experienced Company Secretary;
- will perform self-evaluation of the board and its committees annually, with formal feedback;
- delegates to well-structured, appropriately constituted committees without abdicating its own responsibilities; and
- reviews the independence of non-executive directors.

BOARD RESPONSIBILITIES

The board is guided in all matters by a formal board Charter.

With effect from the 2013 financial year, the board will, in terms of the JSE Listings Requirements, consider and satisfy itself, on an annual basis, of the competence, qualifications and experience of the Company Secretary and will report to unitholders in the annual report as to how it has executed this responsibility. The board will also ensure that it maintains an arm's-length relationship with the Company Secretary on an ongoing basis.

ATTENDANCE AT MEETINGS

The board of directors meets quarterly and on an ad hoc basis, if required. Due regard is given to recusal of directors where conflicts of interest could arise.

Four scheduled and two ad hoc board meetings were held during the year ended 30 June 2012. In all cases where directors were unable to attend a meeting, the board or committee accepted their justified leave of absence.

Board meetings

Director	29.09.2011	12.12.2011	26.01.2012	9.03.2012	5.04.2012	20.06.2012
PD Naidoo	✓	✓	✓	✓	✓	✓
RR Emslie	✓	✓	✓	✓	✓	✓
JR Macey	✓	✓	✓	✓	✓	✓
EG Dube	✓	✓	✓	✓	✓	✓
CE Chimombe-Munyoro	✓	✓	✓	✓	✓	✓
RF Kane	✓	✓	✓	✓	✓	✓
M de Lange	✓	✓	✓	x	✓	✓
PW Mackenzie	✓	✓	x	✓	x	x

Board committees

Committees are established by the board to assist the board in the discharge of its duties.

Board committees have unrestricted access to company information and any resources required to help them fulfil their responsibilities, including professional advice which is paid for by the Company.

Every board committee has board-approved terms of reference. From time to time the board will determine and amend the scope and responsibilities of the committees, as well as the appointment of new committee members.

The Company Secretary attends all board and committee meetings.

AUDIT AND RISK COMMITTEE

The members of this committee, who are all independent non-executive directors, are:

RR Emslie *(Chairman)*
JR Macey
K Vundla.

The CEO, Financial Director and external auditors attend meetings, by standing invitation.

The committee maintains an active working relationship with the board. The committee is governed by its terms of reference, which are aligned to the Companies Act and King III.

To assist the board in its supervisory and governance responsibilities, the committee ensures, *inter alia*, that:

- adequate processes are in place to safeguard the Company's assets;
- adequate accounting records are maintained;
- the effectiveness of internal controls is regularly reviewed and effective systems of internal control are maintained;
- an open channel of communication is maintained between directors and accounting staff, as well as external auditors;
- financial information is reviewed at least quarterly;
- annual financial statements are reviewed, prior to recommendation to the board for approval; and
- an external auditor is appointed at all times to determine the scope for each external audit. The committee reviews and sets auditors' fees for the annual audit.

The committee:

- is effective and independent, and ensures that its members including the Chairman, are suitably skilled and experienced independent non-executive directors;
- oversees the Group's integrated reporting and reviews the disclosure of sustainability issues;
- satisfies itself annually of the expertise, resources and experience of the Company's finance function and of the appropriateness of the Financial Director's expertise and experience;
- will oversee the internal audit function and will receive internal audit reports at each of its quarterly meetings and will approve the annual internal audit plans;
- plays an integral role in the Group's overall risk management process;
- specifically oversees financial reporting risks; internal financial controls; fraud risks as it relates to financial reporting; and IT risks as it relates to financial reporting;
- recommends the appointment of the external auditor and oversees external audits;
- approves and implements a policy for non-audit services provided by the external auditor;
- will engage external specialists on material sustainability and integrated reporting aspects; and
- reports quarterly to the board and annually to shareholders.

The committee meets quarterly with ad hoc meetings arranged as and when necessary and the following meetings were held during the year ended 30 June 2012:

Audit and risk committee

Director	26.09.2011	19.01.2012	5.03.2012	14.06.2012
RR Emslie	✓	✓	✓	✓
PD Naidoo	✓	✓	x	x
JR Macey	✓	✓	✓	✓
RF Kane (invitee)	x	✓	✓	✓
M de Lange (invitee)	✓	✓	✓	✓

GOVERNANCE OF RISK

The board is responsible for the governance of risk, which it manages through the Audit and Risk Committee, as follows:

- Monitors the Group's risk management plan in line with the strategic plan;
- Assesses risk tolerance levels, as well as reviewing those levels from time to time;
- Comprises only non-executive directors to ensure objectivity. Executive management are required to attend committee meetings;
- Will ensure that the internal audit service provider is experienced and is effectively briefed on strategic matters;
- Identifies the top 10 or more key risks identified annually by executive management and regularly reviews risk assessments; and
- Ensures the effectiveness of the risk management process.

INVESTMENT COMMITTEE

The members of this committee are:

JR Macey *(Chairman)*
RR Emslie
PD Naidoo
P Tau-Sekati *(recent appointment)*
EG Dube
CE Chimombe-Munyoro.

This committee assists the board with decisions regarding the Group's property portfolio, as well as the review and approval of the property valuations.

Its role is to:

- consider and decide on proposed acquisitions and disposals in terms of the levels of authority;
- provide a high-level review of annual property valuations prior to their submission to the Audit and Risk Committee; and
- periodically review and assess the Company's approach to investment in property assets and letting enterprises.

The executive directors attend meetings, by standing invitation.

The committee schedules meeting as the need arise and meets at least twice a year.

INVESTMENT COMMITTEE

Director	22.09.2011	2.12.2011	14.06.2012
JR Macey	✓	✓	✓
RR Emslie	✓	✓	✓
PD Naidoo	✓	✓	x
EG Dube	✓	x	✓
CE Chimombe-Munyoro	✓	x	✓
RF Kane	✓	✓	✓
M de Lange (invitee)	✓	✓	✓
PW Mackenzie (invitee)	✓	x	✓

REMUNERATION AND NOMINATIONS COMMITTEE

The members of this committee are:

PD Naidoo
EG Dube
P Tau-Sekati *(recent appointment)*.

The CEO and Financial Director attend meetings by invitation.

The committee meets at least once per annum as it only decides on non-executive directors' remuneration.

REMUNERATION COMMITTEE

Director	19.06.2012
PD Naidoo	✓
EG Dube	✓
RF Kane (invitee)	✓
M de Lange (invitee)	✓

SOCIAL AND ETHICS COMMITTEE

This committee held its first meeting on 7 June 2012 and its members are:

PW Mackenzie *(Chairman)*
P Tau-Sekati
CE Chimombe-Munyoro

The function of this committee is to monitor the Company's activities, having regard to any relevant legislation, other legal requirements or prevailing codes of best practice, with regard to matters relating to:

- social and economic development, including the Company's standing in terms of the goals and purposes of:
  - the 10 principles set out in the United Nations Global Compact Principles;
  - the OECD recommendations regarding corruption; and
  - the Employment Equity Act;
- good corporate citizenship, including the Company's:
  - promotion of equality, prevention of unfair discrimination, and reduction of corruption;
  - contribution to development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed; and
  - record of sponsorship, donations and charitable giving;

- the environment, health and public safety, including the impact of the Company's activities and of its products or services;
- consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws;
- labour and employment, including:
  - the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions; and
  - the Company's employment relationships, and its contribution toward the educational development of its employees;
- drawing matters within its mandate to the attention of the board as occasion requires; and
- reporting, through one of its members, to the unitholders at the Annual General Meeting on the matters within its mandate.

COMPANY SECRETARY

The duly appointed Company Secretary is Probity Business Services Proprietary Limited represented by Messrs N Toerien and W Mapanzure. Neither of the representatives are directors of VPIF, and the company does not have any interest, financial or otherwise in VPIF and accordingly maintains an arm's length relationship with the board and the directors.

DEALINGS IN THE COMPANY'S LINKED UNITS

In terms of both the Group's policy and JSE Listings Requirements, directors and the Company Secretary must obtain prior written clearance from the Financial Director and Chairman if they intend to buy or sell linked units, whether directly or indirectly.

Directors who are privileged to price-sensitive information may not deal, directly or indirectly, in the Company's linked units until such information is made public.

Closed periods are imposed on directors in relation to interim and annual financial results and, from time to time, specific corporate actions.

RISK MANAGEMENT

The strategic intent of the Company's risk management is to create an environment in which risk management is applied at a consistently high level across the Group, enabling the board to take informed decisions, achieve business objectives and maximise returns for linked unitholders.

Potential strategic risks are identified annually by the Group's executive team. The risks facing the Company as individually identified by each member of the Audit and Risk Committee are identified as the key risks. The key risks collectively identified by all the members are assessed in terms of their probability, as well as their potential impact on the Group as a whole.

EXTRACTS FROM THE AUDITED HISTORICAL FINANCIAL INFORMATION OF VPIF FOR THE YEAR ENDED 30 JUNE 2012, THE SIX MONTHS ENDED 30 JUNE 2011 AND THE YEAR ENDED 31 DECEMBER 2010

The Group statements of financial position, comprehensive income, changes in equity and cash flow and the accounting policies and specific notes for the twelve months ended 30 June 2012, the six months ended 30 June 2011 and the year ended 31 December 2010 have been extracted, without adjustment, from the audited Group financial statements of VPIF. No notes are presented for the year ended 31 December 2010. The consolidated financial statements of VPIF were reported on, without qualification, by KPMG Inc. The Company changed its year end from December to June with effect from 30 June 2011.

The audited historical financial information is the responsibility of the directors of VPIF.

The historical information relating to VPIF has been prepared in accordance with IFRS and in terms of the Company's current accounting policies.

COMMENTARY

Nature of business

The Company is a property holding and investment company. There has been no change in the nature of the business of the Company, its assets or the use thereof during the past three years.

Subsequent financial information:

No financial information relating to VPIF has been made available to any party subsequent to the latest interim accounting period ended 31 December 2012.

General review

Since listing in August 2011, VPIF has continued to deliver total returns to its unitholders of circa 36% per annum. This has been achieved in some of the toughest trading conditions seen for many years. The clearly defined investment strategy is working well. The focus of the Fund will be to continue acquiring properties that enhance both the yield and the quality of the VPIF Portfolio.

Subsequent events

Subsequent to the financial year ended 30 June 2012, the Company acquired the properties as set out in paragraph E.2 of this circular.

Additional information:

The Company does not have a share incentive scheme.

Subsidiaries

VPIT is treated as a subsidiary. Application has been made to de-register the Company's subsidiaries, Cedar Park and Pacific Eagle. GHOP was recently acquired but it is intended that it will also be de-registered in due course. The Company is not involved in any joint ventures or partnerships and has no associates.

Segment information

No segment information was prepared in respect of the year ended 31 December 2010 as no reporting segments existed.

Information relating to the following matters is set out elsewhere in this circular as detailed below:

Subject	Reference to paragraph in the circular
Details of material loans receivable.	Paragraph F.5
Loans made to or for the benefit of any director or manager	Paragraph 6.2 of Annexure C
Details of material borrowings.	Paragraph F.5 and note 15 of this Annexure H
Particulars of units issued	Paragraphs 2 and 3 of Annexure D
Directors' emoluments	Paragraph 6.1 of Annexure C
Financial statistics (e.g. net asset value, tangible net asset value, earnings, diluted earnings, headline earnings per share)	Paragraphs 2.5 and F and Annexure 2
Dividend and distribution policy	Paragraph F.4

STATEMENT OF COMPREHENSIVE INCOME

R'000	Audited Year ended 30 June 2012	Audited 6 months ended 30 June 2011	Audited Year ended 31 December 2010
Investment property income	165 860	55 869	103 754
Straight-line rental adjustment	5 994	328	893
Revenue	171 854	56 197	104 647
Other income	926	1	72
Property and operating expenses	(78 507)	(24 284)	(39 088)
Operating profit	94 273	31 914	65 630
Finance income	2 005	232	487
Finance cost amortisation	(45 694)	(1 987)	–
Finance costs	(25 085)	(15 204)	(34 158)
Net operating profit	25 499	14 955	31 958
Fair value adjustments	106 835	(7 505)	109 781
Profit before debenture interest and taxation	132 334	7 450	141 739
Distributions	(77 813)	(16 351)	(30 372)
Trust distributions – net rental income	(2 324)	(6 494)	(9 943)
Debenture interest	(75 489)	(9 857)	(20 429)
Profit/(loss) before amortisation of debenture premium	54 521	(8 901)	111 367
Amortisation of debenture premium	1 679	–	–
Profit/(loss) before income tax	56 200	(8 901)	111 367
Income tax expense	(35 098)	1 981	(15 822)
Profit/(loss) for the period	21 102	(6 920)	95 544
Total comprehensive income/(loss) for the period attributable to equity holders	21 102	(6 920)	95 544

R'000	Audited Year ended 30 June 2012	Audited 6 months ended 30 June 2011	Audited Year ended 31 December 2010
RECONCILIATION OF ATTRIBUTABLE INCOME TO EARNINGS, HEADLINE EARNINGS AND DISTRIBUTABLE INCOME			
Total comprehensive income for the period attributable to equity holders	21 102	(6 920)	95 544
Distributions	77 813	16 351	30 372
Trust distributions – net rental income	2 324	6 494	9 943
Debenture interest	75 489	9 857	20 429
Amortisation of debenture premium	(1 679)	–	–
Earnings/(loss) attributable to linked unit holders	97 236	9 431	65 172
Earnings/(loss) attributable to linked unit holders	97 236	9 431	65 172
Impairment of goodwill	1 190	–	–
Gross revaluation of investment property	(115 607)	206	(109 781)
Deferred tax on revaluation	21 503	(29)	15 369
Headline earnings/(loss) attributable to linked unit holders	4 322	9 608	31 505
RECONCILIATION OF OPERATING INCOME TO DISTRIBUTABLE EARNINGS			
Net operating income	25 499	14 955	
Straight-line rental adjustment	(5 994)	(328)	
Gain on bargain purchase	(830)	–	
Listing costs	13 469	1 724	
Finance cost amortisation	45 694	–	
Income tax	(25)	–	
Distributable income	77 813	16 351	
Number of linked units '000			
Linked units in issue	120 618	57 024	
Weighted average number of linked units in issue	113 475	57 204	
Cents			
Available for distribution per linked unit	64,51	–	
Earnings/(loss) per linked unit	85,69		
Headline earnings/(loss) per linked unit	3,81		

STATEMENT OF FINANCIAL POSITION

R'000	Audited Year ended 30 June 2012	Audited 6 months ended 30 June 2011	Audited Year ended 31 December 2010
ASSETS			
Non-current assets	1 441 059	791 477	784 380
Investment property	1 426 394	782 437	776 522
Property, plant and equipment	6 936	5 938	4 535
Other non-current assets	7 729	3 102	3 323
Current assets	33 972	10 139	12 668
Trade and other receivables	13 893	6 165	7 783
Income tax receivable	37	–	–
Cash and cash equivalents	20 042	3 974	4 886
Total assets	1 475 031	801 616	797 049
EQUITY AND LIABILITIES			
Equity	307 190	285 929	292 849
Ordinary share capital	301	142	142
(Accumulated loss)/retained earnings	(56 500)	8 282	24
Non-distributable reserve	363 389	277 505	292 683
Debentures	588 918	142 417	142 417
Linked unitholders' interest	896 108	428 346	435 267
Other liabilities			
Other non-current liabilities	203 606	344 379	331 065
Other financial liabilities	123 110	298 505	283 210
Deferred tax	80 496	45 874	47 855
Current liabilities	375 317	28 891	30 717
Current portion of other financial liabilities	306 296	7 355	7 355
Trade and other payables	69 021	21 536	23 362
Total liabilities	578 923	373 270	361 782
Total equity and liabilities	1 475 031	801 616	797 049
Linked units in issue ('000)	120 618	57 024	14 256
Net asset value per linked unit (cents)	742,93	751,2	3 053,2
Net tangible asset value less deferred tax per linked unit (cents)	809,67	831,6	3 388,9

CONDENSED STATEMENT OF CASH FLOW

R'000	Audited Year ended 30 June 2012	Audited 6 months ended 30 June 2011	Audited Year ended 31 December 2010
Cash generated from operations	89 544	26 666	62 275
Finance income received	2 005	232	487
Finance costs paid	(25 085)	(15 204)	(34 158)
Tax paid	(62)	–	–
Distributions paid to unit holders	(36 840)	(9 875)	(20 429)
Net cash inflow from operating activities	29 562	1 837	8 174
Cash flow from investing activities			
Additions to property, plant and equipment	(2 507)	(2 412)	(2 782)
Additions to investment property	(7 141)	(5 792)	(1 670)
Additions to other non-current assets	(5 566)	(554)	(2 266)
Acquisition of businesses	(479 711)	–	–
Net cash (outflow) from investing activities	(494 925)	(8 758)	(6 718)
Cash flow from financing activities			
Proceeds from issue of linked units	448 339	–	–
Advance of other financial liabilities	73 747	6 009	726
Repayment of other financial liabilities	(40 655)	_	–
Net cash inflow from financing activities	481 431	6 009	726
Net increase/(decrease) in cash and cash equivalents	16 068	(912)	2 183
Cash and cash equivalents at the beginning of the year	3 974	4 886	2 703
Cash and cash equivalents at the end of the year	20 042	3 974	4 886

STATEMENT OF CHANGES IN EQUITY

R'000	Ordinary share capital	Non-distributable reserve	(Accumulated loss)/ retained earnings	Total
Balance at 31 December 2009	142	197 638	(475)	197 305
Total comprehensive income for the year	–	–	95 544	95 544
Transfer to non-distributable reserve	–	95 045	(95 045)	–
Balance at 31 December 2010	142	292 683	24	292 849
Total comprehensive income for the period				
Loss for the period	–	–	(6 920)	(6 920)
Transfer from distributable reserve	–	(15 178)	15 178	–
Balance at 31 December 2011	142	277 505	8 282	285 929
Transactions with owners of the Company, recognised directly in equity				
Issue of linked units	159	–	–	159
Total comprehensive income for the year				
Profit for the year	–	–	21 102	21 102
Transfer to non-distributable reserve	–	85 884	(85 884)	–
Balance at 31 December 2012	301	363 389	(56 500)	307 190

CONDENSED SEGMENTAL ANALYSIS
For the year ended 30 June 2012

R'000	Head office	Gauteng	KwaZulu-Natal	Northern Province	Western Cape	Eastern Cape	North West	Total
Revenue – investment property income	–	121 832	3 269	1 001	28 284	7 567	3 907	165 860
Straight-line rental adjustment	4 944	439	–	–	611	–	–	5 994
Other income	830	96	–	–	–	–	–	926
Property expenses	(21 810)	(43 332)	(894)	(171)	(10 153)	(1 469)	(678)	(78 507)
Operating income	(16 036)	79 035	2 375	830	18 742	6 098	3 229	94 273
Finance income	1 890	80	1	–	12	22	–	2 005
Finance cost amortisation	(44 694)	–	–	–	(1 000)	–	–	(45 694)
Finance costs	(21 811)	(1 154)	–	–	(2 119)	(1)	–	(25 085)
Net operating income	(80 651)	77 961	2 376	830	15 635	6 119	3 229	25 499
Fair value adjustments	108 296	(850)	–	–	(611)	–	–	106 835
Reportable segment profit before debenture interest and income tax	27 645	77 111	2 376	830	15 024	6 119	3 229	132 334
Reportable segment assets	31 790	876 610	29 508	8 939	379 682	90 775	57 727	1 475 031
Reportable segment liabilities	(492 157)	(45 446)	(195)	(36)	(39 905)	(734)	(450)	(578 923)

For the six months ended 30 June 2011

R'000	Head office	Gauteng	KwaZulu-Natal	Northern Province	Western Cape	Eastern Cape	North West	Total
Revenue – investment property income	–	47 550	1 562	471	4 859	1 427	–	55 869
Straight-line rental adjustment	328	–	–	–	–	–	–	328
Other income	–	1	–	–	–	–	–	1
Property expenses	(4 032)	(17 267)	(354)	(85)	(2 237)	(309)	–	(24 284)
Operating income	(3 704)	30 284	1 208	386	2 622	1 118	–	31 914
Finance income	124	103	–	–	2	3	–	232
Finance cost amortisation	(1 987)	–	–	–	–	–	–	(1 987)
Finance costs	(15 201)	(3)	–	–	–	–	–	(15 204)
Net operating income	(20 768)	30 384	1 208	386	2 624	1 121	–	14 955
Fair value adjustments	(7 505)	–	–	–	–	–	–	(7 505)
Reportable segment profit before debenture interest and income tax	(28 273)	30 384	1 208	386	2 624	1 121	–	7 450
Reportable segment assets	4 007	685 388	24 607	7 718	57 358	22 538	–	801 616
Reportable segment liabilities	(357 717)	(14 414)	(123)	(42)	(419)	(553)	–	(373 269)

1. BASIS OF PREPARATION

1.2 Statement of compliance

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the Independent Accounting Standards Board, the AC 500 Standards as issued by the Accounting Practices Board and the requirements of the Companies Act of South Africa, 2008 (as amended) and Companies Regulations, 2011.

1.3 Basis of measurement

The financial statements are prepared on the historical cost basis, unless otherwise stated, and the accounting policies set out below have been applied consistently to all periods presented in these financial statements. The financial statements are prepared on the basis that the Company is a going concern.

1.4 Functional and presentation currency

These financial statements are presented in South African Rand which is the Group's and Company's functional currency, rounded to the nearest thousand unless stated otherwise.

1.5 Use of estimates and judgements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated annual financial statements is included in the following notes:

- Note 5 – valuation of investment property.

  Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 10 – impairment losses on trade receivables.

2. ACCOUNTING POLICIES

2.1. Basis of consolidation

The Group financial statements include the assets, liabilities and results of operations of the holding company and its subsidiary.

Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the annual financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Investments in subsidiaries are recognised at cost less accumulated impairment losses in the Company's separate financial statements.

Business combinations

All business combinations are accounted for by applying the acquisition method in terms of IFRS 3. The Group 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 amounts of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the annual financial statements.

2.2. Financial instruments

Financial instruments are contracts that give rise to financial assets in one entity and a financial liability or equity instrument in another entity.

Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated when the Group becomes party to the contractual provisions of the instrument. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

The Group's non-derivative financial assets comprise loans and receivables

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash balances. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Non-derivative financial liabilities

The Group initially recognises debt securities issued on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group has the following non-derivative financial liabilities: other financial liabilities, trade and other payables and debentures.

Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

Ordinary share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

Derivative financial instruments

The Group utilises derivative financial instruments to hedge its exposure to interest rate risks arising from operational, financing and investment activities. The Group does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value. The gain or loss on measurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Offset

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the Group has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.3 Investment property

Investment property is property (land and buildings) held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

On initial recognition, the investment property is measured at cost. The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised when it is probable that it will result in future economic benefits which are probable and such expenditure can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment property is measured at fair value. Fair values are determined annually either by external independent registered valuers or internal valuers on the open market value basis. The valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of both methods to determine the fair value. Gains or losses arising from changes in the fair values of investment property are included in profit for the year in which they arise. These gains or losses are transferred to non-distributable reserves in the statement of changes in equity.

Realised gains or losses on the disposal of investment property are recognised in profit for the year and are calculated as the difference between the sale price and the fair value of the investment property as determined at the last valuation date. These gains or losses are transferred to non-distributable reserves in the statement of changes in equity.

When the Group begins to redevelop an existing investment property for continued future use as investment property, the property remains investment property which is measured based on the fair value model, and is not reclassified as property plant and equipment during the redevelopment.

2.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Subsequent expenditure on items of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased and such expenditure can be measured reliably. All other subsequent expenditure is recognised in profit or loss in the period in which it is incurred.

When parts of an item of property, plant and equipment have different useful lives and a cost that is significant in relation to the total cost of the item, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item of property, plant and equipment, and are recognised net within other income in profit or loss.

Depreciation

Depreciation is calculated by allocating the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value on a systematic basis over the useful life of the asset.

Depreciation is recognised in profit or loss on a straight-line basis over the current estimated useful lives of each significant part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Equipment	3 – 5 years
Computer equipment	3 years
Tenant installations	Period of the lease

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

2.5 Impairment

Non-derivative financial assets

A financial asset is considered to be impaired at financial period end, if objective evidence indicates that one or more events occurred after initial recognition that have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is measured as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are assessed for impairment on an individual basis. The remaining financial assets together with individual significant assets found not to be impaired, are assessed collectively in Group's that share similar credit risk characteristics. This impairment testing is performed annually at the end of each financial period.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised.

Non-financial assets

The carrying amount of the Group's non-financial assets, other than investment property and deferred tax assets, is reviewed at each reporting date to determine whether there is an indication of impairment. If such an indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing the value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.6 Letting commissions

Letting commissions are capitalised and amortised over the lease period. The carrying value of letting commissions is included with other non-current assets.

2.7 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

2.8 Revenue

Revenue comprises rental income and recovery of expenses, excluding VAT. Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. The recovery of expenses is recognised when the related expenses are incurred.

2.9 Finance income and finance costs

Finance income comprises interest income on bank balances and tenant deposits. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on bank balances and long-term loans. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Other borrowing costs are expensed in the period in which they are incurred.

2.11 Income tax

The charge for current taxation is based on the results for the year as adjusted for items which are non-assessable or disallowable and any adjustment for tax payable or receivable for previous years.

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

Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred tax provided is based on the tax rates and tax laws that have been enacted by the reporting date.

A deferred tax liability is recognised for all taxable temporary differences except to the extent that the deferred tax liability arises from:

- the initial recognition of goodwill; or
- goodwill for which amortisation is not deductible for tax purposes; or
- the initial recognition of an asset or liability in a transaction which:
  - is not a business combination; and
  - at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

The effect on deferred tax of any changes in tax rates is recognised in profit or loss, except to the extent that it relates to items previously charged or credited directly to other comprehensive income or equity. Where permissible, deferred tax assets are offset against deferred tax liabilities.

2.12 Related party transactions

Related party transactions are transactions which result in a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. Related parties refer to entities in which the Group directly or indirectly through one or more intermediaries controls or is controlled by or is in common control with. These include the holding company, subsidiaries and fellow subsidiaries.

2.13 Earnings per linked unit

The Group presents basic, diluted and headline earnings per linked unit for its linked units. Basic earnings per linked unit is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of linked units outstanding during the year, adjusted for own linked units held. Diluted earnings per linked unit is determined by adjusting the profit or loss attributable to linked unitholders and the weighted average number of linked units outstanding, adjusted for own linked units held, for the effects of all dilutive potential linked units, which comprise convertible notes and linked unit options granted to employees. Headline earnings per linked unit is calculated by dividing the headline profit or loss attributable to linked unitholders of the Company by the weighted average number of linked units outstanding during the year, adjusted for own linked units held.

2.14 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's CEO to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly head office expenses, and income tax assets and liabilities. Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment, and intangible assets other than goodwill.

3. RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial assets, which potentially subject the Group to concentrations of credit risk, consist principally of cash and cash equivalents and trade and other receivables.

The trade and other receivables include to other receivables, prepayments and deposits less impairment losses.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The Group's wide-spread tenant base reduces credit risk. Management has established a credit policy under which each new tenant is analysed individually for creditworthiness before the Group's standard payment terms and conditions are offered which include, in the majority of cases, the provision of a deposit of at least one month's rental. The Group's review includes the use of external rating agencies.

In monitoring tenant credit risk, tenants are grouped according to their credit characteristics, including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

The main component of this allowance is a specific loss component that relates to individually significant exposures.

The Group deposits cash surpluses with major banks of high quality credit standing to address the related credit risk.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages liquidity risk by monitoring cash flows and ensuring that adequate cash is available or by maintaining or renewing borrowing facilities as appropriate.

The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Surplus cash is however utilised to reduce the other financial liabilities to optimise the borrowing costs. The facility is however an access facility and the surplus can be redrawn at any time should it be required to settle financial obligations.

Market risk

Market risk is the risk that changes in the market prices and interest rates will affect the Group's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

The Group is exposed to interest rate risk as it borrows funds at variable interest rates. The risk is managed by Group policies adopted to ensure all its borrowings are at market related rates.

The Group is not exposed to foreign currency risk or equity price risk.

Fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the methods below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Group and the lessee; and the remaining economic life of the property.

Derivatives

The fair value of interest rate swaps is based on banker quotes.

Non-derivative financial assets and liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Capital risk management

The Group's objectives when managing capital are to safeguard the Company and its subsidiaries' ability to continue as going concerns in order to provide returns for unitholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes other financial liabilities, trade and other payables and debentures and equity as disclosed in the statement of financial position. The Group monitors capital on the basis of the gearing ratio.

The Group considers the equity attributable to linked unitholders as the permanent capital of the Group.

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

	30 June 2012 R'000	**30 June 2011 R'000**
Gearing ratio		
Total debt	1 018 324	469 812
Less: Cash and cash equivalents	(20 042)	(3 974)
Net debt	998 282	465 838
Equity	307 190	285 929
Debt to equity ratio	325%	163%

4. STANDARDS NOT YET ADOPTED

Statement	Effect for accounting periods beginning on or after	Summary of key points	Impact on the Group
IFRS 9 Financial instruments	1 January 2015 (i.e. for the financial year ending 30 June 2016)	• IFRS 9 Financial instruments was issued in November 2009 and amended in October 2010. The standard introduces new requirements for the classification and measurement of financial assets and financial liabilities. • IFRS 9 requires all recognised financial assets that are within the scope of IAS 39 Financial instruments: recognition and measurement to be subsequently measured at amortised cost or fair value. • The most significant effect of IFRS 9 regarding the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability, designated as at fair value through profit or loss, attributable to changes in the credit risk of that liability. • The requirements in IAS 39 relating to derecognition of financial assets and financial liabilities have been incorporated unchanged into the new version of IFRS 9.	The impact on the Group has not yet been estimated.

Statement	Effect for accounting periods beginning on or after	Summary of key points	Impact on the Group
IFRS 10 Annual financial statements	1 January 2013 (i.e. for the financial year ending 30 June 2014)	• IFRS 10 supersedes IAS 27 annual and separate financial statements and SIC 12 Consolidation – special purpose entities. It introduces a new, principle-based definition of control which will apply to all investees to determine the scope of consolidation.	No material impact is expected for the Group.
IFRS 11 Joint arrangements	1 January 2013 (i.e. for the financial year ending 30 June 2014)	• IFRS 11 supersedes IAS 31 interests in joint ventures. It replaces IAS 31's three categories of 'jointly controlled entities', 'jointly controlled operations' and 'jointly controlled assets' with two new categories – 'joint operations' and 'joint ventures'. The option of using proportionate consolidation for joint ventures that was previously included in IAS 31 has been eliminated (equity accounting is now required for all joint ventures).	No material impact is expected for the Group.
IFRS 12 Disclosure of interests in other entities	1 January 2013 (i.e. for the financial year ending 30 June 2014)	• IFRS 12 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. • It aims to provide more transparency on 'borderline' consolidation decisions and enhance disclosures about unconsolidated structured entities in which an investor or sponsor has involvement.	No material impact is expected for the Group.

Statement	Effect for accounting periods beginning on or after	Summary of key points	Impact on the Group
IFRS 13 Fair value measurement	1 January 2013 (i.e. for the financial year ending 30 June 2014)	• The new IFRS specifies how an entity should measure fair value and disclose fair value information. • IFRS 13 has been developed to: – establish a single source of guidance for all fair value measurements; – clarify the definition of fair value and related guidance; and – enhance disclosures about fair value measurements (the new disclosures increase transparency about fair value measurements, including the valuation techniques and inputs used to measure fair value).	The impact on the Group has not yet been estimated.
IAS 1 Presentation of financial statements	1 July 2012 (i.e. for the financial year ending 30 June 2013)	• The amendment changes the structure of items presented in other comprehensive income. Items must be grouped and presented into those that, in accordance with other IFRSs will not be reclassified subsequently to profit or loss and/or will be classified subsequently to profit or loss when specific conditions are met. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements.	No material impact is expected for the Group.

The following revised amendments to standards and interpretations are not applicable to the business of the Group and will therefore have no impact on future financial statements:

- IAS 19 – Defined benefit plans;
- IAS 28 Investments in associates and joint ventures;
- IFRIC 20 – Stripping costs in the production phase of a surface mine; and
- IFRS 1 Amendments – Government loans.

5. INVESTMENT PROPERTY

	Cost R'000	Cumulative fair value adjustments R'000	Cumulative straight-line rental adjustments R'000	Carrying value R'000
Group				
30 June 2012				
Investment property	973 471	434 629	18 294	1 426 394
30 June 2011				
Investment property	451 824	319 021	11 592	782 437
Reconciliation of movement in carrying value of investment property:				
30 June 2012				
Opening carrying value	451 824	319 021	11 592	782 437
Additions through business combinations	515 793	–	708	516 501
Other additions	5 855	–	–	5 855
Straight-line rental adjustment	–	–	5 994	5 994
Fair value adjustments	–	115 608	–	115 608
Closing carrying value	**973 471**	**434 629**	**18 294**	**1 426 394**
Reconciliation of movement in carrying value of investment property:				
30 June 2011				
Opening carrying value	446 032	319 227	11 264	776 523
Additions	5 792	–	–	5 792
Additions through business combinations	–	–	–	–
Straight-line rental adjustment	–	–	328	328
Fair value adjustments	–	(206)	–	(206)
Closing carrying value	**451 824**	**319 021**	**11 592**	**782 437**

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains non-cancellable periods of between three and ten years. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

Details of valuation

The effective date of revaluations was 30 June 2012. The revaluations were performed independently by MRB Gibbons (National Diploma in Property Valuation, MIV(SA)) of Mills Fitchet Magnus Penny Proprietary Limited who has the appropriate experience in valuing investment property in the locations where the investment property is situated. It is the Group's policy to revalue all properties. The value of properties owned for less than a year is deemed to approximate cost. In determining the value for fair value purposes, the traditional discounted cash flow ("DCF") method of valuation has been used. The discount and exit capitalisation rates are determined by reference to comparable sales and appropriate surveys prepared by the Investment Property Databank ("IPD") and benchmarked against other comparable valuations after consultation with experienced and informed people in the property industry including other valuers, brokers and investors. The discount and capitalisation rates are dependent on a number of factors, such as location, the condition of the improvements, current market conditions, the lease covenant and the risk inherent in the property. Investment property's direct property expenses are R51,5 million.

7. OTHER NON-CURRENT ASSETS

Other non-current asset consists of debt and commissions raised on property transactions as well as a loan to the Wale Street Body Corporate in order to refurbish the existing lifts.

	30 June 2012 R'000	30 June 2011 R'000
Opening balance	3 102	3 323
Acquisition through business combinations	519	–
Other additions	5 566	555
Amortisation	(1 458)	(776)
Closing balance	**7 729**	**3 102**

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise:

	30 June 2012 R'000	30 June 2011 R'000
Trade receivables	5 551	2 386
Prepayments	482	291
Deposits	923	683
Other receivables	8 018	3 498
Allowance for impairment	(1 081)	(693)
	13 893	**6 165**
Reconciliation of movement in allowance for impairment		
Opening balance	(693)	(280)
Utilised	657	94
Provision created	(1 045)	(507)
Closing balance	**(1 081)**	**(693)**

The individually impaired receivables relate mainly to non-national tenants which have been summonsed for non-payment of rentals, or who have vacated the premises due to difficult economic conditions. A portion of the impaired receivables is expected to be recovered. The ageing of the provision for bad debts in respect of the impaired receivables is as follows:

	30 June 2012	
	Gross R'000	Impairment R'000
Group		
Not past due	3 390	(269)
Past due: 0 – 30 days	672	(177)
Past due: 31 – 60 days	461	(158)
Past due: 61 – 90 days	389	(129)
Past due: 91 – 120 days	639	(349)
	5 551	**(1 081)**

At the reporting date there were no specific concentrations of credit risk.

Trade receivables that are due and that are subject to a dispute are not considered impaired until the resolution of the dispute. As of 30 June 2012 Group trade receivables of R1,3 million (2011: R1,4 million) were past due but not impaired. Company trade receivables of R0,8 million (2011: R Nil) were past due but not impaired at 30 June 2012. These related to a number of independent customers for whom there is no recent history of default.

11. CASH AND CASH EQUIVALENTS

	30 June 2012 R'000	30 June 2011 R'000
Cash and cash equivalents comprise:		
Bank balances	1 520	239
Property bank	18 522	3 735
	20 042	**3 974**

15. OTHER FINANCIAL LIABILITIES

	30 June 2012 R'000	30 June 2011 R'000
Carried at amortised cost		
Hyprop Investments Limited	–	7 355
Standard Bank Limited		
Loan	447 825	312 916
	–	(21 710)
Capitalised interest rate swap unwind cost	(45 694)	(23 697)
Amortisation of unwind cost	45 694	1 987
	447 825	298 561
Carried at fair value through profit or loss		
Standard Bank Limited		
Interest rate swap 1	–	7 299
Interest rate swap 2	6 834	–
Interest rate swap 3	4 043	–
Interest rate swap 4	4 004	–
	462 706	305 860
Less: Amounts to be settled within 12 months and included in current liabilities	(324 196)	(7 355)
	138 510	**298 505**
Less: Amounts to be settled within 12 months and included in current liabilities	324 196	7 355
Less: Redraw portion of facility	(33 300)	–
	(290 896)	**(7 355)**

Hyprop Investments Limited

Interest was charged at JIBAR plus 3% and the capital amount was repayable in full on the fifth anniversary of the advance date being October 2011. The loan was advanced in November 2006 and repaid on 11 August 2011.

Standard Bank Limited

The Group has the following interest bearing facilities with Standard Bank Limited.

Group	Variable base rate	Risk margin %	Liquid cost %	Reserving cost %	All in cost R'000	Loan utilised R'000	Available funds R'000	Maturity date
30 June 2012								
Facility 1	3m JIBAR	1,05	0,14	0.32	1,51	282 500	–	31 May 13
Facility 2	3m JIBAR	1,05	0,14	0.32	1,51	41 696	–	31 May 13
Facility 3	3m JIBAR	1,05	1,14	0.32	2,51	123 629	71 371	14 Feb 17
						447 825	71 371	
30 June 2011								
Facility 1	3m JIBAR	1,05	0,17	0.32	1,54	88 415	–	31 May 13
Facility 2	3m JIBAR	1,05	0,17	0.32	1,54	99 418	–	31 May 13
Facility 2	3m JIBAR	1,05	0,16	0.32	1,53	78 651	–	31 May 13
Facility 3	3m JIBAR	1,05	0,44	0.32	1,81	16 000	–	31 May 13
Facility 4	3m JIBAR	1,15	0,66	0.32	2,13	30 432	–	31 May 13
						312 916	–	

Interest rate swaps

Group	Fixed base rate %	Interest payment dates	Start date	End date	Nominal amount R'000
30 June 2012					
Interest rate swap 1	7,26	Mar, Jun, Sep, Dec	12 Dec 11	14 Dec 2016	150 000
Interest rate swap 2	7,12	Mar, Jun, Sep, Dec	23 Mar 12	22 Mar 2017	103 000
Interest rate swap 3	7,12	Mar, Jun, Sep, Dec	23 Mar 12	22 Mar 2017	102 000
					355 000
30 June 2012					
Interest rate swap 1	–	–	–	–	–
Interest rate swap 2	–	–	–	–	–
Interest rate swap 3	7,12	Mar, Jun, Sep, Dec	23 Mar 12	22 Mar 2017	102 000

The interest rate swap agreements have the effect of swapping the variable base rates with the fixed base rates as indicated above.

Upon listing VPIF raised R448,3 million through the issue of 63,6 million new linked units. The proceeds were utilised to settle outstanding debt, pay for listing costs and for the acquisition of additional properties known as Athol Ridge Office Park, Cedar Park Properties 31 Proprietary Limited and Pacific Eagle Properties 204 Proprietary Limited. In settling the debt VPIF incurred a break cost of R45,7 million as a result of market volatility when the interest rate swap was broken.

Standard Bank has indicated that it will extend the facility for a further period of five years upon the expiry on 31 May 2013.

The loan is secured by a mortgage bond over land and buildings in respect of all investment properties with the exception of Lion Roars office park, Athol Ridge office park, Xstrata, Mabe Park and Foretrust. These properties are unencumbered.

16. DEFERRED TAX

	30 June 2012 R'000	30 June 2011 R'000
Deferred tax liabilities comprise:		
Investment property	91 020	47 918
Interest rate swap	(4 167)	(2 044)
	80 496	**45 874**
The movement in the deferred tax during the year is as follows:		
Opening balance	45 874	47 855
Per statement of comprehensive income	35 073	(1 981)
Acquisition through business combinations	265	–
	80 496	**45 874**

17. TRADE AND OTHER PAYABLES

	30 June 2012 R'000	30 June 2011 R'000
Trade and other payables comprise:		
Trade payables	115	19
Other payables	2 427	4 263
Shareholders for distribution	40 973	–
VAT payables	1 676	529
Revenue received in advance	4 763	–
Deposits received	6 739	5 891
Accrued expenses	12 328	9 175
	69 021	**21 535**

18. INVESTMENT PROPERTY INCOME

	30 June 2012 R'000	30 June 2011 R'000
Investment property income comprises:		
Rental income	131 860	44 784
Recoveries of utilities from tenants	34 000	11 085
	165 860	**55 869**

20. OPERATING PROFIT

	30 June 2012 R'000	30 June 2011 R'000
Operating income/(loss) is arrived at after taking into account:		
Audit fees	752	195
Amortisation and depreciation	3 931	1 784
Amortisation of debt costs	42	85
Amortisation of commissions	1 415	691
Depreciation on property, plant and equipment	2 474	1 008
Fees for professional and consulting services	14 689	1 780
Payroll costs	–	85
Directors' emoluments	480	–
Asset management fees	5 359	1 953
Property management fees – JHI	5 265	1 816

21. FINANCE INCOME

	30 June 2012 R'000	30 June 2011 R'000
Finance income comprises:		
Interest received from:		
Tenant deposits	–	11
Banks	2 005	221
Vunani Property Investment Trust		
Cedar Park		
Pacific Eagle		
	2 005	**232**

23. FINANCE COSTS

	30 June 2012 R'000	30 June 2011 R'000
Finance costs comprise:		
Interest paid on:		
Loan from Hyprop Investments Limited	71	313
Standard Bank Limited bond (variable)	20 250	11 839
Interest rate swap	4 593	3 049
Banks	171	3
	25 085	**15 204**

24. FAIR VALUE ADJUSTMENTS

	30 June 2012 R'000	30 June 2011 R'000
Fair value adjustments comprise:		
Interest rate swaps	(7 582)	(7 299)
Investment property	115 607	(206)
Impairments	(1 190)	–
	106 835	**(7 505)**

28. COMMITMENTS

	30 June 2012 R'000	30 June 2011 R'000
Operating leases – as lessor (income)		
Minimum lease payments due		
within one year		77 430
in second to fifth year inclusive		105 969
after five years		16 838
Contractual cash inflows		200 237
Straight-line rental adjustments	(18 295)	(11 592)
Future book revenue		**188 645**

Operating lease income represents rentals received by the Group for certain of its office properties. Leases are negotiated for an average term of four years. Rentals on the office properties escalate at an average rate of 8,5% per annum.

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