



**AFINE
INVESTMENTS**

**AFINE INVESTMENTS LIMITED
(formerly Domanolor Proprietary Limited)
APPROVED AS A REIT**

(Incorporated in the Republic of South Africa)
Registration number 2020/852422/06
JSE share code: ANI ISIN: ZAE000303947
("Afine" or "the Company")

PRE-LISTING STATEMENT

The definitions and interpretations commencing on page 9 of this Pre-listing Statement have, where applicable, been used in these cover pages.

This Pre-listing Statement is not an invitation to the public to subscribe for Shares but is issued in compliance with the JSE Listings Requirements and the Companies Act for the purpose of providing information to investors regarding Afine and is issued in respect of **a listing as a REIT by way of introduction, of all the issued Shares of the Company on the Alternative Exchange of the JSE with effect from commencement of trade on Thursday, 9 December 2021**. The Shares are being listed at a listing price of R3.67 per Share, with the initial market capitalisation of the Company being approximately R235 million and property assets valued by the Independent Property Valuer at R307 million, exceeding R300 million in accordance with the JSE Listings Requirements for a REIT.

Please note:

All of the Shares issued by Afine rank *pari passu* with each other. There are no convertibility or redemption provisions relating to any of the Shares. The Shares have only been issued in dematerialised form. No certificated Shares will be issued. There will be no fractions of Shares listed. There is no underwriting and the Listing is not conditional on raising any capital.

Investors should note that the main purpose of the Listing is to allow the Company to establish a presence on an exchange platform that facilitates trade in listed securities, to access debt and equity capital more cost effectively and to have the ability to incentivise management and employees by granting access to listed tradeable Shares in the Company.

Immediately prior to the Listing –

- the authorised Shares of the Company comprised 1 000 000 000 Shares of no par value;
- the issued Shares of the Company comprised 64 000 000 Shares of no par value and stated capital of R6 002 000; and
- the Company has no treasury Shares.

Given that the Listing is being implemented by way of introduction, there will be no change in the authorised or issued Shares on the Listing Date.

At the date of the Listing, the anticipated market capitalisation of the Company will be approximately R235 million.

The JSE has granted Afine approval for a primary listing of 64 000 000 ordinary Shares of no par value in the "Other Speciality REITs" sector on the Alternative Exchange of the JSE, in terms of the FTSE classification, under the abbreviated name: "Afine", JSE share code: "ANI" and ISIN: ZAE000303947, with effect from the commencement of trade on Thursday, 9 December 2021. Afine has 10% of the issued Shares held by public shareholders at the point of listing on the JSE and additional shares will be made available to facilitate tradability in the shares of Afine. Confirmation of achievement of spread of public shareholders has been submitted to the JSE.

Each of the advisors whose names are included in this Pre-listing Statement have consented in writing and have not prior to publication of this Pre-listing Statement, withdrawn their written consent to the inclusion of their names in the capacity stated and, where applicable, to their reports being included in this Pre-listing Statement.

An abridged version of this Pre-listing Statement will be published on SENS on 25 November 2021.

Date of issue: Thursday, 25 November 2021

Corporate Advisor	Designated Advisor	Independent Reporting Accountant	Independent Property Valuer
 <p><i>bravura</i> Bold thinking. Bespoke solutions.</p>	 <p>AcaciaCap ADVISORS</p>	 <p>PKF OCTAGON</p>	 <p>APPRAISAL CORPORATION</p>

This Pre-listing Statement is available on the Company's website at <https://www.afineinvestments.com/investors> and is only available in English.

The Directors, collectively and individually, having made due and careful enquiry, accept full responsibility for the accuracy of the information provided in this Pre-listing Statement and certify that, to the best of their knowledge and belief, there are no facts that have been omitted that would make any statement contained herein false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law.

CORPORATE INFORMATION

Registered office and postal address of the Company

Afine Investments Limited
(previously Domanolor Proprietary Limited)
(Registration number 2020/852422/06)
Unit 4602, Greenways
Strand, 7140

Incorporated in RSA on 12 November 2020

Corporate Advisor

Bravura Capital Proprietary Limited
(Registration number 2013/030889/07)
23 Fricker Road
Ground Floor, Suite 2
Illovo Boulevard
Illovo, 2196
(PO Box 2070, Parklands, 2121)

Designated Advisor

AcaciaCap Advisors Proprietary Limited
(Registration number 2006/033725/07)
20 Stirrup Lane
Woodmead Office Park
Woodmead, 2191
(Suite #439, Private Bag X29, Gallo Manor, 2052)

Company Secretary

Mrs Sonmari Vosloo
(BCom Management Sciences)
Unit 4602, Greenways
Strand, 7140

Independent Reporting Accountant

PKF Octagon Incorporated
(Registration number 2018/515503/21)
21 Scott Street
Waverley, 2090
(Private Bag X02, Highlands North, 2037)

Independent Auditor

PKF Pretoria Incorporated
(Registration number 1998/004403/21)
Emwil House West
15 Pony Street, Tijger Vallei Office Park
Silver Lakes, 0081
(Private Bag X35, Lynnwood Ridge, 0040)

Independent Property Valuer

Appraisal Corporation CC
(Registration number 1988/017639/23)
Registered Property Valuer
35 Kloof Street
Cape Town, 8001
(PO Box 4157, Cape Town, 8000)

Bankers

Investec Bank Limited
(Registration number 1969/004763/06)
100 Grayston Drive
Sandown
Sandton, 2196
(Private Bag 3003, Randburg, 2125)

Transfer Secretary

JSE Investor Services Proprietary Limited
(formerly known as Link Market Services South Africa Proprietary Limited)
(Registration number 2000/007239/07)
13th Floor, 19 Ameshoff Street Johannesburg,
2001
(PO Box 4844, Johannesburg, 2000)

Registered office and postal address of Petroland

Petroland Group Proprietary Limited
(Registration number 2014/165594/07)
Unit 4602, Greenways
Strand, 7140
(Postal and physical address are the same)

This Pre-listing Statement is not an offer to the general public but is merely issued in connection with the introduction of the Shares onto the JSE. This document is only addressed to persons to whom it may lawfully be made. The distribution of this Pre-listing Statement may be restricted by law in certain jurisdictions. It is the responsibility of any person into whose possession this Pre-listing Statement comes to inform themselves about and observe any such restrictions. Any failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. This Pre-listing Statement does not constitute an offer of, or an invitation to subscribe for any of the Shares in any jurisdiction.

Forward-looking statements

This Pre-listing Statement includes forward-looking statements. Forward-looking statements are statements including, but not limited to, any statements regarding the future financial position of the Group, profits, cash flows and its future prospects. Forward-looking statements are based on estimates and assumptions regarding the Group, and although the Board believes them to be reasonable, such estimates, assumptions, or statements may not eventuate and are not guarantees of future performance. Examples of forward-looking statements include, *inter alia*, the Property Forecast Information contained in **Annexure 1**.

All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, but not limited to the Company's expectations, beliefs, prospects, plans, objectives, future events or performance. These statements are often, but not always, made through the use of words or phrases such as "will," "will likely result," "are expected to," "will continue," "believe," "is anticipated," "estimated," "intends," "expects," "plans," "seek," "projection" and "outlook". These statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them.

Any forward-looking statements are qualified in their entirety by reference to the assumptions made and factors discussed throughout this Pre-listing Statement.

Due to the fact that the risk factors referred to in this Pre-listing Statement could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Pre-listing Statement, undue reliance should not be placed on any of these forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future, and it is not possible for the Company to predict such factors. In addition, the Company cannot assess the effect of each factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those described in any forward-looking statements.

TABLE OF CONTENTS

The definitions and interpretations commencing on page 9 of this Pre-listing Statement have been used in the following table of contents

	Page
Corporate information	Inside front cover
Salient features	7
Salient dates and times	8
Definitions and interpretations	9
Pre-listing Statement	14
Section 1: Information regarding Afine	14
1. Name, address and incorporation	14
2. Directors, other office holders or material third parties	14
3. History, state of affairs and prospects of the Company	17
4. Information regarding the Company's property portfolio	21
5. Share capital of the Company	23
6. Options and preferential rights in respect of Shares	24
7. Employee share incentive scheme	24
8. Commissions paid or payable in respect of underwriting	25
9. Material Contracts	25
10. Interests of Directors, management and promoters	25
11. Loans and borrowings	25
12. Shares issued or to be issued other than for cash	26
13. Properties, assets and business undertakings acquired or to be acquired	26
14. Purpose of the Listing	26
15. Strate	26
16. Minimum subscription	27
17. Statement as to listing on stock exchange	27
Section 2: Financial information	
18. Report by Directors as to material changes	28
19. Accounting policies of Afine	28
20. Property Forecast Information	28
21. <i>Pro forma</i> financial information of Afine	28
22. Liquidity	28
23. Analysis of capital resources	30
24. Off-balance sheet arrangements	30
25. Transactions with related parties	30
Section 3: Additional material information	
26. Risk management policy	31
27. Designated Advisor	31
28. Government protection and investment encouragement law	31
29. Corporate governance	31
30. Regulatory actions	31
31. Directors' responsibility statement	31
32. Costs	31
33. Litigation	32
34. Consents	32
35. Interests of Company Advisors	32
36. Documents available for inspection	32
37. Certificate and Board statement	32

ANNEXURES

Annexure 1	Property Forecast Information of Afine	33
Annexure 2	Independent Reporting Accountant's report on the Property Forecast Information of Afine	35
Annexure 3	Reviewed interim financial information of Afine for the 6 month period ended 31 August 2021	38
Annexure 4	Independent Auditor's report on the reviewed interim financial information of Afine for the 6 month period ended 31 August 2021	57
Annexure 5	Historical financial information of Afine for the period ended 28 February 2021	59
Annexure 6	Independent Reporting Accountant's report on the historical financial information of Afine for the period ended 28 February 2021	90
Annexure 7	Risk management policy	93
Annexure 8	Extracts from the MOI	97
Annexure 9	Subsidiaries	101
Annexure 10	Capital structure and authorisations	102
Annexure 11	Corporate governance statement	104
Annexure 12	Information on the Directors, management and material third parties	115
Annexure 13	Summary of loans accounts, funding and funding terms	119
Annexure 14	Salient terms of the Petroland Administration Agreement	122
Annexure 15	Salient terms of Material Contracts	130
Annexure 16	Valuation summary	141
Annexure 17	Property details	154
Annexure 18	Other directorships	155
Annexure 19	Material risks	160

SALIENT FEATURES

The information set out in this section of the Pre-listing Statement is only an overview and is not intended to be comprehensive. It should be read in conjunction with the information contained in other sections of this Pre-listing Statement.

1. INTRODUCTION, NATURE OF BUSINESS AND BUSINESS STRATEGY

1.1 The Company was incorporated as a private company on 12 November 2020 under the name "Domanolor Proprietary Limited", which was changed to "Afine Investments Proprietary Limited" on 10 March 2021. The Company was converted to a public company on 11 May 2021. The Company's financial year-end is the end of February, with its first reporting period being on 28 February 2022. The Company was incorporated as the holding company for the purpose of listing on the AltX. As at the Last Practicable Date, the Group's property portfolio had a gross asset value of approximately R307 300 000.

1.2 The Company is a property entity, managed by its Board, which will be a REIT once listed on the JSE, and holds a portfolio of income generating immovable properties focused primarily in the petroleum sector, strategically located in four of South Africa's nine provinces. The nature of the revenue of the Company is as follows:

Contracted with oil majors:

- Land rental – received from an oil major for the site;
- Development rental – received from an oil major for the developed property;
- Volumetric rental also referred to as rebates – calculated on fuel sales, being additional income received above a base fixed rental streams (note that the petrol pump price is based on the Regulatory Accounting System (RAS), which price includes the profit on fuel sales. Volumetric rental can be a fixed portion or a percentage of RAS; and
- Refurbishment Rental – being applied when the project needs to be upgraded;

and

Contracted with other parties:

- Other rental – comprising income from alternative profit opportunities, which is immaterial, such as ATM rentals, food offerings, E-Toll Offices and car washes.

All of the above rental is fully contracted, with approximately 99% being contracted with Engen and Sasol. The Company does not have any vacancies at the Last Practicable Date.

1.3 The Board comprises a team of well-qualified and highly experienced individuals. The Company's properties are currently managed by Petroland in terms of the Petroland Administration Agreement. Anton Loubser and JT Loubser have been responsible for the management of most of the properties since inception and have an in-depth working knowledge of the properties. Profiles of the Directors are set out in paragraph 2.1 of this Pre-listing Statement.

2. STATEMENT AS TO LISTING ON THE JSE

The JSE has granted Afine a listing of all of its issued Shares on the AltX under the JSE Code: ANI and ISIN: ZAE000303947 with effect from the commencement of trade on Thursday, 9 December 2021.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 9 of this Pre-listing Statement have been used in the following section.

	2021
Abridged Pre-listing Statement published on SENS on	Thursday, 25 November
Listing of Afine Shares under the abbreviated name "Afine", share code "ANI" and ISIN ZAE000303947, on the AltX at commencement of trade on	Thursday, 9 December

Notes

1. The above dates are subject to change. Any such change will be announced on SENS.
2. All references to dates and times are to local dates and times in South Africa.

DEFINITIONS AND INTERPRETATIONS

In this Pre-listing Statement and the annexures hereto, unless inconsistent with the context, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

"Afine" or "the Company"	Afine Investments Limited (registration number 2020/852422/06), a public company incorporated and registered in accordance with the laws of South Africa;
"Afine Shares" or "Shares"	the no par value ordinary issued shares in Afine;
"AltX"	the Alternative Exchange of the JSE;
"Black Gold Trust"	the Black Gold Trust of 5 th Floor, La Croisette, Grand Baie, Mauritius, the trustee of which is Osiris Corporate Solutions (Mauritius) Limited and the beneficiaries of which are David Axten and Sydney Axten;
"Board" or "Directors"	the board of directors of Afine as set out in paragraph 2 of this Pre-listing Statement;
"business day"	any day other than a Saturday, Sunday or official public holiday in South Africa;
"CIPC"	Companies and Intellectual Property Commission;
"Clifton Dunes Investments 10"	Clifton Dunes Investments 10 Proprietary Limited (registration number 2016/528781/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Piet Retief Sasol petrol filling station;
"Clifton Dunes Investments 79"	Clifton Dunes Investments 79 Proprietary Limited (registration number 2004/013724/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Somerset West Sasol petrol filling station;
"Company Advisors"	collectively the Corporate Advisor, the Designated Advisor, the company secretary, the Independent Property Valuer, the Independent Reporting Accountant and the Independent Auditor;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"Companies Regulations"	the Companies Regulations, 2012 promulgated in Government Gazette No. 34239 in terms of section 223 of the Companies Act;
"Coral Lagoon Investments"	Coral Lagoon Investments 163 Proprietary Limited (registration number 2006/005917/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Engen Riverside petrol filling station;

“Corporate Advisor” or “Bravura”	Bravura Capital Proprietary Limited, a private company incorporated and registered under the laws of South Africa, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;
“CSDP”	a Central Securities Depository Participant in South Africa appointed by a Shareholder for purposes of holding in custody and administering securities, cash or an interest in securities on behalf of a Shareholder;
“dematerialised Shares”	Afine Shares which have been incorporated into the Strate system, title to which is not represented by Share certificates or other physical documents of title;
“Designated Advisor” or “AcaciaCap Advisors”	AcaciaCap Advisors Proprietary Limited, a private company incorporated and registered under the laws of South Africa, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;
“Financial Markets Act”	Financial Markets Act, No. 19 of 2012, as amended;
“Founder”	KSP Offshore;
“Founder Shares”	the Shares acquired and issued to the Founder as follows: <ul style="list-style-type: none"> - 4 000 Shares acquired at a price of R0.50 per Share amounting to R2 000 on 10 February 2021 from Chris Gouws (a shelf company); and - 60 000 Shares issued at a subscription price of R100 per Share amounting to R6 million on 23 February 2021, which shareholding was sub-divided into 64 000 000 Shares on 14 May 2021, of which 10% (being 6 400 000 Shares) has subsequently been placed by KSP Offshore prior to the Last Practicable Date, in order to achieve the minimum of 10% shareholder spread ahead of the listing. The founder will make additional shares available to trade from date of listing on AltX;
“GLA”	gross lettable area;
“government”	the government of South Africa;
“the Group”	collectively, the Company and the Subsidiaries;
“HGG Paarl”	HGG Paarl Proprietary Limited (registration number 2013/203913/07) of 136A Main Road, Paarl, 7620, a private company incorporated and registered under the laws of South Africa, to whom Afine’s accounting function is outsourced;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	Income Tax Act, No. 58 of 1962, as amended;
“Independent Auditor”	PKF Pretoria Incorporated, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;
“Independent Reporting Accountants” or “PKF”	PKF Octagon Incorporated, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;

“Independent Property Valuer” or “Appraisal Corporation”	Appraisal Corporation CC, a close corporation incorporated and registered under the laws of South Africa, an independent external registered professional valuer in terms of the Property Valuers Profession Act, No. 47 of 2000, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;
“Investment Facility Company Three Three Six”	Investment Facility Company Three Three Six Proprietary Limited (registration number 1995/003396/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Parkdene and Protea Park Sasol petrol filling stations;
“JSE”	JSE Limited (registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“JSE Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time by the JSE;
“Katherine Street Properties”	Katherine Street Properties Proprietary Limited (registration number 1965/008436/07), a private company incorporated and registered in accordance with the laws of South Africa, one of the indirect PFS Vendors of three properties acquired by the Company (namely Sasol Somerset West (25%) and the Sasol Parkdene and Sasol Protea Park (50%) petrol filling stations), the sole shareholder and director of which is MJ Watters, the company’s address being at Atkinsons Acre, R44, Paarl, 7646;
“King IV”	the Code of Corporate Practices and Conduct in South Africa representing principles of good corporate governance as laid out in the King Report, as amended from time to time;
“KSP Offshore”	KSP Offshore Limited (registration number 338106), a public company incorporated and registered in accordance with the laws of the Republic of Mauritius, being the founder and sole Shareholder of the Company as at the Last Practical Date, represented by PM Todd;
“Last Practical Date”	the last business day before the finalisation of this Pre-listing Statement, being Tuesday, 23 November 2021;
“Lease Agreements”	the lease agreements set out in Annexure 15 ;
“Listing”	the listing of the entire issued Share capital of the Company on the JSE on the Listing Date;
“Listing Date”	the date of the Listing, expected to occur as at commencement of trading on the JSE on Thursday, 9 December 2021;
“Lizalor Investments”	Lizalor Investments Proprietary Limited (registration number 2016/447430/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Engen Platinum One Stop Doornpoort petrol filling station;

“Lyndham Trust”	the Lyndham Trust (registration number IT 2738/09) of 83 Monkor Road, Randpark Ridge, 2188, one of the indirect PFS Vendors of four properties acquired by the Company (namely Sasol Somerset West (25%), Sasol Parkdene and Protea Park (50%) and Engen Platinum One Stop Doornpoort (50%) petrol filling stations, the beneficiaries of which are D Kohler and his immediate family;
“Material Contracts”	the Petroland Administration Agreement, the PFS Vendor Agreements and the Lease Agreements, being the only material contracts entered into by the Company since its incorporation;
“MOI”	the memorandum of incorporation of the Company, extracts of which are set out in Annexure 8 ;
“net asset value” or “NAV”	as determined in accordance with IFRS;
“Petroland”	Petroland Group Proprietary Limited (registration number 2014/165594/07), a private PFS development and PFS owning company incorporated and registered in accordance with the laws of South Africa, the directors of which are JT (Anton) Loubser and JT Loubser, one of the indirect PFS Vendors of five properties acquired by the Company (namely Sasol Piet Retief, Sasol Somerset West (50%), Sasol Grassnyers, Engen Platinum One Stop (50%) and Engen Riverside Nelspruit), the shares of which are 100% held by the Anton Loubser Trust, the beneficiaries of which are JT (Anton) Loubser and his immediate family, the company's address being at Unit 4602, Greenways, Strand, 7140;
“Petroland Administration Agreement”	the agreement entitled the “Administration and Advisory Agreement” entered into between Afine and Petroland dated 4 November 2021, which governs the administration and advisory services rendered by Petroland to Afine, the salient terms of which are included in Annexure 14 ;
“PFS”	petrol filling station;
“PFS Subsidiaries”	collectively, Clifton Dunes Investments 10, Clifton Dunes Investments 79, Thunder Cats Investments, Investment Facility Company Three Three Six, Lizalor Investments, and Coral Lagoon Investments, all being wholly-owned Subsidiaries of Afine;
“PFS Vendors”	collectively, Katherine Street Properties, Lyndham Trust and Petroland from which entities the Company acquired the respective PFS Subsidiaries, as detailed in Annexure 15 ;
“PFS Vendor Agreements”	the sale of share agreements entered into between Afine and the respective PFS Vendors, as set out in Annexure 15 ;
“Pre-listing Statement”	this bound document inclusive of all annexures and accompanying forms dated Thursday, 25 November 2021, prepared in compliance with the JSE Listings Requirements;
“Prime Rate”	the publicly quoted basic rate of interest levied by Investec Bank Limited from time to time on overdraft, calculated on a 365-day year, irrespective of whether the applicable year is a leap year, and provided, <i>prima facie</i> , in the event of a dispute and in the absence of manifest error, by a certificate under the hand of any director or manager of Investec Bank Limited, whose appointment and authority need not be approved;

“promoter”	the party(ies) responsible for the formation of a company to be listed, or acquired by an existing issuer, and who earn(s) a fee therefrom, in cash or otherwise;
“Property Forecast Information”	the forecast statement of profit or loss and other comprehensive income in respect of the Company for the periods ending 28 February 2022 and 28 February 2023, as set out in Annexure 1 , and reported on by the Independent Reporting Accountants, which report is set out in Annexure 2 ;
“RAS”	the Regulatory Accounting System used in the petroleum sector to determine appropriate margins for petrol at wholesale, retail, secondary storage and secondary distribution level;
“Rands” or “R”	South African Rand, the official currency of South Africa;
“Register”	the register of Dematerialised Shareholders maintained by the Transfer Secretary;
“REIT”	a public Company listed on a licensed stock exchange as a Real Estate Investment Trust;
“RSA” or “South Africa”	the Republic of South Africa;
“Shareholders” or “Afine Shareholders”	holders of Afine Shares, as recorded in the Register of the Company;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a private company which is registered in terms of the Financial Markets Act, a Central Securities Depository responsible for the electronic clearing and settlement of all Shares traded on the JSE;
“Subsidiary”	the wholly owned subsidiaries of the Company, as set out in Annexure 9 , or each of them as the context implies;
“Transfer Secretary”	JSE Investor Services Proprietary Limited (formerly known as Link Market Services South Africa Proprietary Limited) (registration number 2000/007239/07), a private company incorporated under the laws of South Africa, full details of which are set out in the “Corporate Information” section of this Pre-listing Statement;
“Thunder Cats Investments”	Thunder Cats Investments 78 Proprietary Limited (registration number 2016/451023/07), a private company incorporated and registered under the laws of South Africa, a wholly owned Subsidiary of Afine and which company owns the Grassnyers Sasol petrol filling station; and
“VAT”	value added tax as defined in the Value Added Tax Act, No. 89 of 1991, as amended;



AFINE INVESTMENTS

AFINE INVESTMENTS LIMITED

(formerly Domanolor Proprietary Limited)

APPROVED AS A REIT

(Incorporated in the Republic of South Africa)

Registration number 2020/852422/06

JSE share code: ANI ISIN: ZAE000303947

("Afine" or "the Company")

Directors of the Company

Executive

JT (Anton) Loubser (*Chief Executive Officer*)

JT Loubser (*Chief Financial Officer*)

Non-executive

MJ Watters (*Chairman*)*

D Kohler (*Lead independent*)*

PM Todd

* *Independent*

PRE-LISTING STATEMENT

SECTION 1: INFORMATION REGARDING AFINE

1. NAME, ADDRESS AND INCORPORATION

- 1.1 Afine was incorporated as a private shelf company on 12 November 2020 under the name "Domanolor Proprietary Limited", which was acquired by the Founder and which name was changed to "Afine Investments Proprietary Limited" on 10 March 2021. The Company was converted to a public company on 11 May 2021.
- 1.2 The address of the Company's registered office is set out in the "Corporate Information" section of this Pre-listing Statement.
- 1.3 Details of the Subsidiaries are set out in **Annexure 9**.

2. DIRECTORS, OTHER OFFICE HOLDERS OR MATERIAL THIRD PARTIES

2.1 Directors of the Company

The Board currently comprises five Directors, three of which are non-executives (of whom two are independent). There are no other office holders.

- 2.1.1 The full names, ages, business addresses, qualifications, positions and experience of the Directors, all of whom are South African nationals, save for MJ Watters (who holds both South African and British citizenship) and PA Todd (who holds British citizenship) are outlined below:

Full name and age	Michael John (Mike) Watters (62)
Business address	3 Regents Walk, Ascot, Berkshire, United Kingdom
Qualifications	BSc Eng (Civil), GDE, MBA
Position	Independent non-executive Director (Chairman)
Term of office and expiry	Appointed on 1 June 2021. No fixed term; compulsory retirement at 75 years of age

Experience CEO of RDI REIT PLC from 2006 to 2020 (dual listed on LSE and JSE). Formerly CEO of Corovest Property Group; CFO of Nels Bliss Group; Manager, Corporate Finance Standard Corporate and Merchant Bank; Retail Developer BP Southern Africa. Non-executive directorships on Redefine Properties Limited, Hyprop Investments Limited and Sycom Property Fund (all JSE-listed) and Cromwell Property Group (listed on ASX).

Full name and age Darryl Kohler (64)

Business address Wellington House, Rise Road, Ascot, Berkshire, United Kingdom

Qualifications BSc Eng (Civil), GDE

Position Lead independent non-executive Director

Term of office and expiry Appointed on 1 June 2021. No fixed term; compulsory retirement at 75 years of age

Experience Darryl is a professional civil engineer with over 25 years' experience in property development. He was the Group Development Manager at RDI REIT PLC from 2009 to 2021. Owner of Finlake Developments (development of petrol filling stations and residential developments). From 2003 to 2009, partner at Pegasus III Properties (development of office buildings, retail centres and petrol filling stations). From 1998 to 2002, Chief Engineer at Johannesburg Council Roads & Works Division (design and construction of roads and related infrastructure -1980 to 1997).

Full name and age Johannes Theodorus (Anton) Loubser (60)

Business address Unit 4602, Greenways, Strand

Qualifications B.Comm (Financial Management)

Position Chief Executive Officer

Term of office and expiry Appointed on 1 June 2021. No fixed term; six months' notice period; compulsory retirement at 75 years of age

Experience 1986 – 1988: Financial Manager for Department of Trade and Industry, dealing with all financial management aspects relating to the development and relocation of factories.

1988 – 1993: Property Developer at Trek Petroleum Proprietary Limited and Engen Petroleum Proprietary Limited - Management of the development of 40 new service stations over two years.

1993 – Current: Founder and CEO of Petroland - Development of new service stations, assisting individuals or companies with the same as well as general commercial property negotiations.

Full name and age	Johan Theo (JT) Loubser (32)
Business address	Unit 4602, Greenways, Strand
Qualifications	B.Comm (Financial Management and Financial Accounting)
Position	Chief Financial Officer
Term of office and expiry	Appointed on 1 June 2021. No fixed term; one month's notice period; compulsory retirement at 75 years of age
Experience	Financial director for a multitude of SME's operating within the oil industry of South Africa as well as executive director of the consolidated Petroland group of companies from 2012 until present. JT manages the financial function of more than 10 SME's within the Petroland group, which company's financial structure is directly simulated by Afine, and which he formed an integral part of during the inception stage. JT has also been responsible for the daily financial management of Petroland since 2012.

Full name and age	Peter McAllister Todd (62)
Business address	S1 AO Residences, Royal Road, Grand Baie, Mauritius
Qualifications	BCom LLB, HDip Tax
Position	Non-executive Director
Term of office and expiry	Appointed on 1 June 2021. No fixed term; compulsory retirement at 75 years of age
Experience	Peter is a qualified attorney and began his career as the senior tax manager at Arthur Andersen and Associates in Johannesburg. He joined TWS Rubin Ferguson in 1993 as a tax partner and was instrumental in listing several companies on the JSE. In 2000, Peter established Osiris Group in the British Virgin Islands and Mauritius to provide international corporate finance and administrative services to global clients. Peter has significant understanding of the property industry in the UK, South Africa and the rest of Africa. He is currently the chairman of Grit Real Estate Limited and is a former director of Redefine International Limited (now called RDI REIT PLC).

Petroland's CEO and CFO will be seconded to provide services and duties to Afine as required by the Companies Act, the Listings Requirements and the Board. Such services will include the day-to-day management of the Company as well as the implementation of growth and forward-looking strategies. Notwithstanding that the CEO and CFO are employed on a part-time basis and seconded to Afine in terms of the Petroland Administration Agreement, they take full fiduciary responsibility to act in good faith and in the best interest of the Company as if they were full-time Directors.

The JSE has agreed to the part-time appointment of Anton Loubser and JT Loubser as the CEO and CFO, respectively, of Afine due to the current limited operational requirements of the Company, i.e. the Company's current portfolio of seven properties does not warrant the cost associated with the appointment of two full-time executives at present. However, the Board and the Audit and Risk Committee will assess the appointment of a full-time CEO and CFO, respectively, on an annual basis, and report on such assessment in the Company's annual report.

As at the Last Practicable Date, the Board and the Audit and Risk Committee have assessed and have satisfied themselves as to the appointment of Anton Loubser and JT Loubser as CEO and CFO, respectively, on a part-time basis until such time as the operational capacity of the Company increases to such extent that would require these positions to be filled on a full-time basis.

2.2 Property and asset management and administration of properties

The asset management and property management functions of the Company have been internalised. The Board, which comprises a team of well-qualified and highly experienced individuals, manage the properties as well as acquisitions and disposals and such services are not outsourced, therefore no additional fees will be levied against Afine other than for administration services.

The Company's properties are currently administered by Petroland in terms of the Petroland Administration Agreement, which provides the Board with the CEO and the CFO on a part-time basis. The costs of the CEO and CFO are reimbursed to Petroland in terms of the Petroland Administration Agreement, which serves to substantially lower the executive director remuneration of Afine, in line with the time required to manage the properties.

Petroland was formerly responsible for the management of the majority of properties, which were acquired from Petroland, since inception and has an in-depth working knowledge of the properties. Profiles of the Directors are set out in paragraph 2.1.1 of this Pre-listing Statement.

2.3 Afine advisors and company secretary

2.3.1 The names and business addresses of the Company Advisors and the company secretary are set out in the "Corporate Information" section of this Pre-listing Statement.

2.3.2 Neither the Company Advisors nor the company secretary have any interests in Afine Shares.

2.4 Additional information related to the Directors

2.4.1 **Annexure 12** contains the following information:

- 2.4.1.1 Directors' emoluments;
- 2.4.1.2 borrowing powers of the Company exercisable by the Directors;
- 2.4.1.3 interests in Shares and transactions;
- 2.4.1.4 interests of Directors, management and promoters; and
- 2.4.1.5 Directors' declarations.

2.4.2 The key provisions of the MOI with regard to the following are set out in **Annexure 8**:

- 2.4.2.1 amendment and alteration of the MOI;
- 2.4.2.2 the rights attaching to the Shares;
- 2.4.2.3 Shareholders' rights of pre-emption on issue of Shares;
- 2.4.2.4 appointment of Directors;
- 2.4.2.5 rotation of non-executive Directors;
- 2.4.2.6 Directors' expenses;
- 2.4.2.7 borrowing powers exercisable by the Directors; and
- 2.4.2.8 distributions to Shareholders.

3. HISTORY, STATE OF AFFAIRS AND PROSPECTS OF THE COMPANY

3.1 History and nature of business

3.1.1 Afine was incorporated as a private shelf company on 12 November 2020 under the name "Domanolor Proprietary Limited", which was acquired by the Founder and which name was changed to "Afine Investments Proprietary Limited" on 10 March 2021. The Company was converted to a public company on 11 May 2021.

3.1.2 The Company's financial year-end is the end of February, with its second reporting period being at 28 February 2022. The Company was incorporated as the holding company for the purpose of listing on the AltX. As at the Last Practicable Date, the Group's property portfolio had a gross asset value of approximately R307 300 000.

3.1.3 The Company is listing as a REIT on the AltX of the JSE, and holds a portfolio of income generating immovable properties focused primarily in the petroleum sector, strategically located in four of South Africa's nine provinces.

3.1.4 The nature of the revenue of the Company is as follows:

Contracted with oil majors:

- Land rental – received from an oil major for the site;
- Development rental – received from an oil major for the developed property;
- Volumetric rental also referred to as rebates – calculated on fuel sales, being additional income received above a base fixed rental streams (note that the petrol pump price is based on the RAS, which price includes the profit on fuel sales, Volumetric rental can be a fixed portion or a percentage of RAS;
- Refurbishment Rental – being applied when the project needs to be upgraded, and

Contracted with other parties:

- Other rental – comprising income from alternative profit opportunities, which is immaterial, such as ATM rentals, food offerings, E-Toll Offices and car washes.

All of the above rental is fully contracted, with approximately 99% being contracted with Engen and Sasol. The Company does not have any vacancies at the Last Practicable Date.

3.1.5 Afine was founded by Peter Todd, with strategic input from Mike Watters, both of whom are notable investors and operators in the REIT space, with the purpose of creating a holding company for a REIT focussing on the acquisition of properties that operate in the petroleum sector in South Africa.

After a property acquisition, Afine will conclude a lease agreement with an oil major, such as Sasol and Engen. Afine is not involved in the operations of the underlying petrol filling station thus making the administration of Afine very simple.

The Company's first investments involved the acquisition of an interest in five PFS properties from the PFS Vendors in February 2021, namely Sasol Piet Retief, Sasol Somerset West, Sasol Grassnyers, Sasol Protea Park and Sasol Parkdene. A further PFS property was acquired in two phases with 50% of Lizalor Investments being acquired in February 2021 and the remaining 50% of that company (which holds the leasehold rights in Engen Platinum One Stop), and 100% of Coral Lagoon Investments, in May 2021, which holds Engen Riverside Nelspruit.

The four PFS vendors are Investment Facility Company Three Three Six, Katherine Street Properties, Lyndham Trust and Petroland and further details are set out in **Annexure 15**. Petroland will continue to assist Afine with the administration of the various properties, whilst the other PFS Vendors will not have any further operational involvement.

On 4 November 2021, Afine entered into the Petroland Administration Agreement in terms of which Petroland will provide administration services to the Company, also providing the Company with the CEO and CFO, who will manage Afine on a part-time basis. The part time role was preapproved by the JSE ahead of the listing of Afine due to the limited time required to manage the business.

Afine also has a right of first refusal on all new petrol filling station development projects identified by Petroland, thereby ensuring that Afine will have priority. Currently no new acquisitions have been identified but the experience, expertise, industry knowledge and network of Petroland is expected to bring pipeline opportunities to Afine.

The Company will be accordingly be managed by the CEO and CFO and no management fee will be payable to Petroland other than an administration fee of R7 000 per petrol filling station per month, which covers the accounting services.

To the extent there are any conflicts of interest, the Directors who may have an interest in the transaction will be recused from the decision-making process in accordance with the Act.

Petroland was founded by Anton Loubser in 1993 with the aim to assist individuals and companies with the negotiation of transactions in the service station industry in South Africa, in which industry Petroland has been established as a market leader since its inception. Petroland has a significant client base in the Commercial Property industry from which a tremendous amount of new service station opportunities are generated. Petroland is also an expert in the Feasibility Studies retail sector with specific reference to new service station projects. Additionally, Petroland has provided training for members of the Institute of Valuers in the valuation of service station properties as well as the operating rights of these service stations. Petroland has a proud record of assisting South Africans to obtain service station businesses, ranging from service stations with ancillary facilities from rural to urban South Africa to various other retail opportunities relating to service stations.

During 2012/2013, Petroland developed the Engen Platinum One Stop, one of the most successful service stations in Southern Africa. Petroland also formed joint ventures with several individuals and companies since its inception. Over the past 27 years, Anton Loubser, through Petroland, has developed more than 60 petrol service stations, the cumulative value of these projects amounting to approximately R2.2 billion.

Petroland has also invested in its own service station network, with its property portfolio consisting of 10 service station properties. These service station properties are strategically located in five of South Africa's nine provinces. Petroland has several service station opportunities as pipeline projects as well as opportunities to create more value from existing and new service station properties in the future.

All the properties acquired by Afine are established petrol filling stations with various licences and rights in place. The responsibility for licencing rests with both the operator of the filling station as well as the property owner.

Set out in **Annexure 17** is the specific information on each of the properties included in the Group's property portfolio.

There have been no disposals by the Company since its incorporation until the Last Practicable Date.

3.2 Investment mandate and growth strategy

- 3.2.1 The Board as a whole is responsible for approving new investment opportunities that fall within the Group's investment policy and objectives.
- 3.2.2 The executive Directors shall be responsible for:
 - 3.2.2.1 identifying, researching and evaluating potential investment opportunities for Afine, together with input from the Group's Investment Committee where such opportunities are to be considered; and
 - 3.2.2.2 monitoring and evaluating current Afine investments and making recommendations to the Board regarding any investment decision.

Following the identification of a potential new investment opportunity and approval by the Group's Investment Committee, the CEO will be responsible for negotiating the terms of investment.

- 3.2.3 The Investment Committee will comprise the CEO and the CFO, together with a legal specialist in the oil industry and an independent site specific service station specialist, both of whom will be identified and co-opted onto the Investment Committee on an *ad hoc* basis. The specialists will vary, depending on their site-specific knowledge, and will rotate given the oil company involved and/or trading area of a specific service station and will be co-opted to assist the Investment Committee to the extent required. The specialists that will be co-opted as described are not related parties to Afine and accordingly there will be no conflict of interest. In the event that any of these specialists become a related party to Afine, the provisions of Section 10 of the Listings Requirements will apply. The purpose of the Investment Committee will be to analyse all aspects of each potential new opportunity, and provide the Board with a recommendation.

3.2.4 The Group's investment policy, investment process, gearing targets and investment restrictions, as extracted from the Petroland Administration Agreement, are set out in **Annexure 14**.

3.3 Prospects

The recent trend in REIT investment demand from investors has been for specialised REITs over generalised portfolios. This has gathered momentum with specialisations in logistics (Equities Property Fund Limited), self-storage (Stor-Age Property REIT Limited), and multi-let industrials (Stenprop Limited, Sirius Real Estate Limited). Until recently, ownership of petrol service stations in South Africa was not concentrated in a REIT structure.

Afine's objective is to consolidate ownership through a REIT structure, with an acquisition strategy to grow the business substantially over the next five to 10 years from a solid base and with deep industry knowledge, experience and networks.

According to the South African Petroleum Industry Association (SAPIA) there are approximately 4 600 service stations in South Africa of which 75% are under the effective control of Oil Companies. Therefore, Afine is well positioned to target more than a thousand service stations to add to its current network. The principle that Afine will apply is to identify service stations with similar locations and turnover figures as its existing network. The Afine Chairman, CEO and CFO have built extensive contacts in and knowledge of the South African service station over the past 30 years that will be utilised in growing Afine's business.

In relation to the future trend of electric vehicles, it is anticipated that PFS will continue to provide a vital service to motorists via the convenience store, electrical recharging and car maintenance facilities, etc. According to a global ranking by the Munich Mobility Show, globally there are approximately 10 million Electric Vehicles ("EV's") on the roads, of which only 1509 EV's are on South African roads. The EV future creates a massive opportunity for recharge stations at all strategically positioned service station facilities. According to a PwC Report (*Unlocking South Africa's Hydrogen Potential dated October 2020*) South Africa also has an unprecedented opportunity to capitalise on the rapidly developing global hydrogen economy. Therefore, additional to EV's, South Africa has world-class renewable potential that can be leveraged to supply clean energy to the world and transform the domestic economy, creating additional opportunities to supply energy to motorists. This is a future potential opportunity that the Directors will monitor closely. The Directors are confident that the future will be largely unaffected by the electrical car and/or any other clean energy trend, as the Directors firmly believe that the Board, together with all the role-players in the industry (namely the Oil Companies), will constantly ensure that the Company positions itself to reap maximum benefit from any future trends in the supply of energy to motorist.

The potential impact of Covid-19 on property values will only become more measurable and quantifiable with certain accuracy in forthcoming years as the world progresses through the recovery of this pandemic. However, as at the Last Practicable Date, the impact of Covid-19 has been immaterial in relation to the rental on the properties owned by Afine due to the long-term nature of the leases and the tenants being two large oil majors, namely Sasol and Engen. The rental income is not impacted by lockdown or service delivery issues.

With a solid and reliable income stream diversified across various provinces in South Africa and Afine listing as a specialised REIT, the prospects for Afine are considered to be strong and the Board believes that its strategy to acquire additional petrol filling stations will present an attractive investment opportunity for both investors and property owners looking to diversify their returns.

3.4 Material changes

There have been no material changes in the business or trading objects of Afine for the period from the Company's date of incorporation to the Last Practical Date.

3.5 Material commitments, lease payments and contingent liabilities

The Company has no material commitments, lease payments or contingent liabilities, other than for the borrowings, the funding terms of which are set out in **Annexure 13**.

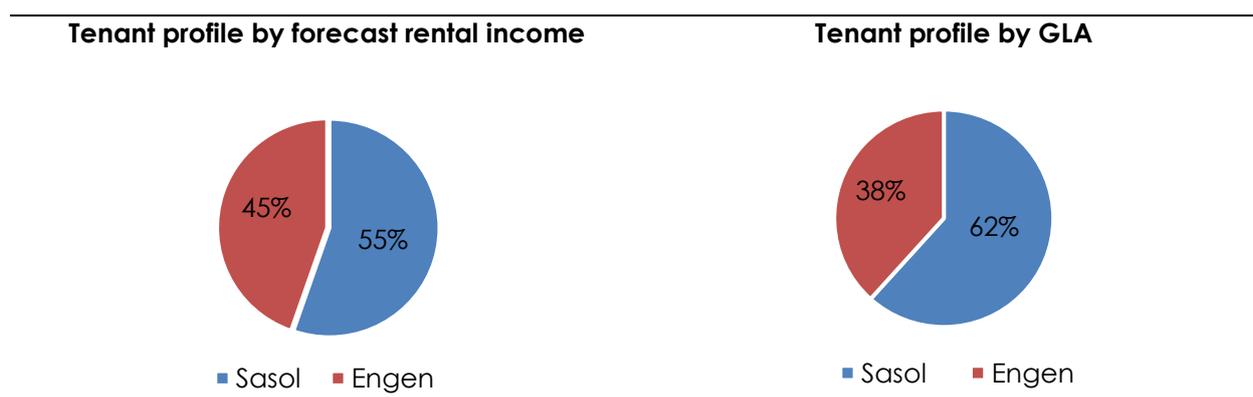
4. INFORMATION REGARDING THE COMPANY'S PROPERTY PORTFOLIO

- 4.1 The properties, specific information in respect of each is included in **Annexure 17**, have been valued by the Independent Valuer (copies of each of the valuation reports in respect of each property are available for inspection – refer to paragraph 35 of this Pre-listing Statement). A summarised valuation report is set out in **Annexure 16**.
- 4.2 Set out below and based on the Property Forecast Information referred to in paragraph 20.1, are the following profiles of the properties referred to in **Annexure 17**:

Tenant	Tenant profile (Note 1)	Sector	Forecast Contracted Rental Income	Tenant profile by GLA
Engen	A	Oil major	55%	62%
Sasol	A	Oil major	45%	38%
Total			100%	100%

Note 1 - "A": large national tenants, large listed tenants, government and major franchisees;

No uncontracted or near contracted rental has been included in the property forecast. There are no vacancies.



Details of the geographic area, rentable area, material revenue and lease expiry profile are set out in detail in **Annexure 17**.

The tenant profile per geographic area is set out below, based on monthly revenue, noting that the oil major rents out the entire site and thus weighted average rental and escalation per square metre is not disclosed as the information is not meaningful and is not used in this sector.

The escalation and average annualised property yield per site is set out in **Annexure 15**, Section 3:

Province	Percentage	Tenants	Expiry profile	Rentable area (m ²)	Revenue
Gauteng	49%	Engen Platinum One Stop Sasol Parkdene	February 2028 October 2027	65 105	902 121
Mpumalanga	27%	Sasol Piet Retief Sasol Grassnyers Engen Riverside	December 2029 December 2029 November 2023	14 357	494 733
Western Cape	21%	Sasol Somerset West	December 2029	3 476	352 201
North West	3%	Sasol Protea Park	March 2029	2 737	67 718
Total	100%			85 675	1 816 773

The lease expiry profiles, based on existing leases, by province, are set out in the table above. All the above leases, totalling a monthly revenue of R1 816 773 over a rentable area of 85 675 m², have a lease expiry profile of between November 2023 to December 2029. All the leases are in the petroleum sector.

A table setting out the lease expiry profile per annum is set out below:

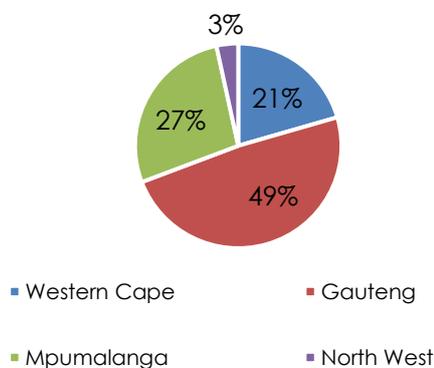
Lease expiry profile	Total GLA (%)	Total Revenue (%)
Vacant	0	0
February 2022	0	0
February 2023	0	0
February 2024	4.39	9.99
February 2025	0	0
February 2026	0	0
February 2027	0	0
February 2028	71.60	39.66
February 2029	24.01	50.35
Total	100.0	100.0

The weighted average rental per square meter by rentable area for the filling station sector is R21.21. It should be noted that this metric is not used in the rental of filling stations as they are typically rented based on the volume generated per site, irrespective of the size of the site. Further details are set out in **Annexure 17**.

The weighted average rental escalation for the total portfolio, based on existing leases, by rentable area, for the filling station sector is an average of 5%. The individual rental escalation is set out in **Annexure 15**.

The average annualised property yield for the total portfolio is 10.46%.

Tenant profile by geography based on revenue



The Company's portfolio of income generating immovable properties focuses primarily in the petroleum sector. Accordingly, all of the above properties are used as service stations.

5. SHARE CAPITAL OF THE COMPANY

5.1 The authorised and issued Shares of the Company as at the Last Practical Date was as follows:

	Number of Shares
Authorised Shares	
Ordinary Shares of no par value	1 000 000 000
Issued Shares	
Ordinary Shares of no par value	64 000 000

As at the Last Practicable Date, the stated capital is R6 002 000.

There will be no change to the above immediately after the Listing.

- 5.2 There are no Shares being offered pursuant to the Listing, the Listing being implemented by way of an introduction. The Shares are being listed at a listing price of R3.67 per Share.
- 5.3 The Company has no treasury Shares in issue and there are no restricted Shares.
- 5.4 There have been no changes to the Company's authorised Shares since its incorporation, save for an increase in the authorised Shares from 100 000 000 no par value Shares to 1 000 000 000 no par value Shares in accordance with a special resolution passed by shareholders on 12 April 2021. The issued Share capital comprising 64 000 Shares at the time was sub-divided and increased on a 1 000 to 1 basis into 64 000 000 issued Shares in accordance with a special resolution passed by shareholders on 14 May 2021.
- 5.5 Other than the Founder Shares, there have been no other issues, repurchases or offers of securities of the Company since the date of incorporation of the Company until the Last Practicable Date.
- 5.6 No Shares have any preferential conversion or exchange rights. All Shares rank *pari passu* with regard to voting rights, dividends, profits or capital, rights on liquidation and distribution of capital assets. All Shares in the Company will be listed on the JSE and will be held in dematerialised format. As such, there will be no physical certificates evidencing the Shares.
- 5.7 There will be no fractions of Shares in existence at the time of the Listing.
- 5.8 Neither the Company nor its Subsidiaries have offered any of its securities to the public for subscription or sale during the three years preceding the Last Practical Date.
- 5.9 The name, registration number, date and place of incorporation and date on which each subsidiary became a Subsidiary, beneficial Shareholding by the Company therein, nature of business and issued Share capital of each of the Subsidiaries is set out in **Annexure 9**. There are no associate companies and none of the Subsidiaries is listed on any stock exchange.
- 5.10 **Annexure 10** contains the following salient information relating to the authorised and issued Shares:
- 5.10.1 rights attaching to Shares;
 - 5.10.2 alterations to Share capital;
 - 5.10.3 issues and repurchases of Shares in the preceding three years;
 - 5.10.4 authorisations; and
 - 5.10.5 statement as to listing on stock exchange.

5.11 Major and controlling Shareholders

- 5.11.1 Set out below are the names of Shareholders who are, directly or indirectly, beneficially interested in 5% or more of the issued Share capital as at the Last Practical Date.

Name of Shareholder	Number of Shares	% of issued Shares
KSP Offshore*	57 600 000	90.0%
Black Gold Trust	6 336 000	9.9%
Total	57 600 000	99.9%

* Represented by PM Todd.

KSP Offshore is incorporated and registered in accordance with the laws of the Republic of Mauritius. KSP Offshore is a family investment vehicle of the Sea View Trust, of which Peter Todd and his family are beneficiaries. KSP Offshore has been active for over a decade in the United Kingdom and Europe, predominantly in the real estate space. The company disposed of all its investments well over a year ago as its directors considered them to be mature and is now moving its investment focus to emerging markets. The initial investment under this new strategy is in Afine.

Black Gold Trust is based in Mauritius and is not related to any director or shareholder of Afine. The shareholding was acquired from KSP Offshore ahead of the listing of Afine in order to assist with achieving the minimum required shareholder spread for companies listing on the AltX.

- 5.11.2 As at the Last Practical Date and at commencement of trading on the Listing Date, KSP Offshore is the controlling Shareholder of the Company, currently holding 90% in Afine. However, KSP Offshore has provided a firm undertaking to the JSE that it will make an additional 5% of its shareholding in the Company available on the open market to public shareholders immediately after Listing in order to improve share liquidity, such that its minimum shareholding in the Company will be retained at 85%. In the medium term, Afine will further increase the number of shares in issue, thereby further reducing KSP Offshore's shareholding in the Company, through acquisitions by Afine, which will be settled through the issue of shares and cash. However, KSP Offshore intends to remain the controlling shareholder of the Company.
- 5.11.3 In accordance with the Listings Requirements for companies listed on the AltX, 50% of the shares held by KSP Offshore will be held in trust until the publication of the audited results for the year ending 28 February 2023, whereafter 25% will be released and the remaining 25% will be released after publication of the audited results for the year ending 29 February 2024. There has been no change in the Company's controlling shareholder for the period from the date of incorporation of the Company to the date of this Pre-listing Statement.
- 5.11.4 The Company meets the minimum 10% public shareholder spread level as required in terms of the JSE Listings Requirements prior to the Listing Date. KSP Offshore has undertaken to make additional shares available for sale from the Listing Date to ensure liquidity in the market.

6. OPTIONS AND PREFERENTIAL RIGHTS IN RESPECT OF SHARES

There are no preferential conversion and/or exchange rights in respect of any Shares of the Company.

No contract or arrangement or proposed contract or arrangement, whereby any option or preferential right of any kind was or is proposed to be given to any person(s) to subscribe for any Shares or any shares of the Company's major Subsidiaries, or any subsidiary where such subscriptions are material to the Company, is in place.

7. EMPLOYEE SHARE INCENTIVE SCHEME

The Company does not have an employee share incentive scheme in place.

8. COMMISSIONS PAID OR PAYABLE IN RESPECT OF UNDERWRITING

- 8.1 There have been no commissions paid or payable in respect of underwriting by the Company for the period from the date of incorporation of the Company to the date of this Pre-listing Statement.
- 8.2 No other commissions, discounts or brokerages have been paid nor have any other special terms been granted in connection with the issue or sale of any Shares in the Share capital of the Company, for the period from the date of incorporation of the Company to the date of this Pre-listing Statement.
- 8.3 Afine is not subject to any royalty agreements and no royalties are payable by the Company.
- 8.4 Save for the Petroland Administration Agreement, the salient terms of which are included in **Annexure 14**, the Company is not subject to any management agreements and does not propose to enter into other management agreements.

9. MATERIAL CONTRACTS

Save for the Petroland Administration Agreement, the PFS Vendor Agreements and the Lease Agreements, the Company has not entered into any material contract, being a contract entered into otherwise than in the ordinary course of business, within the two years prior to the date of this Pre-listing Statement or at any time containing an obligation or settlement that is material to the Company at the date of this Pre-listing Statement. The salient terms of the Petroland Administration Agreement and other Material Contracts are included in **Annexure 14** and **Annexure 15**, respectively.

10. INTERESTS OF DIRECTORS AND PROMOTERS

Details of the Directors' and promoters' interests in the Company are set out in paragraph 3 of **Annexure 12**.

11. LOANS AND BORROWINGS

11.1 Material borrowings to the Company

As at the Last Practical Date, the Company had the following material borrowings, further details of which are set out in **Annexure 13**:

Lender	R
Rand Merchant Bank Limited	39 161 869
KSP Offshore	41 618 465
Total	80 780 334

In addition, as detailed in **Annexure 13**, Investec Bank Limited has granted a facility of R13 million to Afine to be used for future acquisitions or refurbishments. These funds have not been drawn down as at the Last Practicable Date.

It should be noted that the loans from related parties reflected under current liabilities in **Annexure 5** have been replaced with long term secured borrowings from KSP Offshore of R41 618 465 above.

As at the Last Practicable Date, no loan capital is outstanding.

11.2 Material loans advanced by the Company

No material loans had been advanced by the Company or any of the Subsidiaries as at the Last Practical Date.

No loans have been made and no security have been furnished by the Company or by any of its Subsidiaries to or for the benefit of any Director or manager or any associate of any Director or manager of the Company as at the Last Practicable Date.

12. SHARES ISSUED OR TO BE ISSUED OTHERWISE THAN FOR CASH

No Shares have been issued or have been agreed to be issued by the Company or any of its Subsidiaries since incorporation of the Company other than the issue of the Founder Shares.

13. PROPERTIES, ASSETS AND BUSINESS UNDERTAKINGS ACQUIRED OR TO BE ACQUIRED

The various properties owned or leased by Afine were acquired through the acquisition of subsidiaries ahead of the listing of the Company and details are included in **Annexure 17**.

It should be noted that the lease in relation to Engen Platinum One Stop was acquired by Lizalor Investments in 2013 and was funded with a long-term loan from Rand Merchant Bank Limited, details of which loan funding are included in **Annexure 13**.

No other immovable properties and/or fixed assets and/or business undertakings have been acquired by Afine since 31 August 2021 or are proposed to be acquired by the Company (or which the Company has an option to acquire) in the immediate future.

14. PURPOSE OF THE LISTING

14.1 The main objectives of the Listing are to:

- 14.1.1 provide investors, both institutional and private, with an opportunity to participate over the long term in the income streams and future capital growth of the Company;
- 14.1.2 enhance the liquidity and tradability of the Shares;
- 14.1.3 provide access to bank or institutional funding on more attractive terms than are available to unlisted companies;
- 14.1.4 provide the Company with a platform to raise equity funding to pursue growth and investment opportunities in the future; and
- 14.1.5 enhance the public profile and general public awareness of Afine.

14.2 The main purpose of this Pre-listing Statement is to provide relevant information relating to the Company and the proposed Listing on the AltX.

15. STRATE

15.1 The listing will take place at commencement of trading on Thursday, 9 December 2021.

15.2 Shares will be traded on the JSE in electronic form (as dematerialised Shares) in the name of the beneficial owner and will be trading for electronic settlement in terms of Strate immediately following the Listing.

15.3 Strate is a system of "paperless" transfer of securities. If you have any doubt as to the mechanics of Strate please consult your CSDP or other appropriate advisor and you are referred to the Strate website at www.strate.co.za.

15.4 Some of the principal features of Strate are:

- 15.4.1 electronic records of ownership replace materialised certificates and physical delivery of such certificates;
- 15.4.2 trades executed on the JSE must be settled within three business days, or T+3;
- 15.4.3 all investors owning dematerialised Shares or wishing to trade their securities on the JSE are required to appoint a CSDP to act on their behalf and to handle their clearing and settlement requirements;

15.4.4 an investor may only request a statement of shareholding as confirmation of his or her Shareholding, but the account must always be held in the name of the beneficial owner at Strate; and

15.4.5 subject to the agreement between the investor and the broker/market participant, generally in terms of the rules of Strate, the investor is entitled to instruct the broker /market participant as to how he or she wishes to exercise the rights attaching to the Shares and/or to attend and vote at Shareholder meetings.

16. MINIMUM SUBSCRIPTION

The listing is by way of introduction, there being no capital raise and as such is not conditional on raising any amount.

17. STATEMENT AS TO LISTING ON STOCK EXCHANGE

The JSE has granted Afine approval for the Listing of 64 000 000 Shares on the AltX under ISIN: ZAE000303947. It is anticipated that the Listing will be effective as from the commencement of trade of the JSE on Thursday, 9 December 2021.

SECTION 2: FINANCIAL INFORMATION

18. REPORT BY DIRECTORS AS TO MATERIAL CHANGES

There have been no material changes in the financial or trading position of the Company and its Subsidiaries since 31 August 2021 and the date of this Pre-listing Statement, other than the repayment of the current liabilities owed to the related parties through the non-current shareholder loan from KSP Offshore, which payment improves the current asset ratio of Afine.

19. ACCOUNTING POLICIES OF AFINE

The significant accounting policies of Afine are presented in **Annexure 5**.

20. PROPERTY FORECAST INFORMATION

The Property Forecast Information, together with the Independent Reporting Accountant's report thereon, is presented in **Annexures 1** and **2**, respectively.

21. PRO FORMA FINANCIAL INFORMATION OF AFINE

No *pro forma* financial information is required to be presented as there have been no material acquisitions or disposals by Afine from 31 August 2021 until the Last Practicable Date.

22. LIQUIDITY

22.1 **The Company's ability to generate sufficient amounts of cash and cash equivalents, in the short term and the long term, to maintain the issuer's capacity, and to meet the issuer's planned growth or to fund development activities are herein explained:**

The Company has the ability to generate sufficient amounts of annuity cash to meet the planned growth of the Group. The Company does not have any property development activities planned. Any future acquisitions will be funded through equity and debt in accordance with the REIT Listings Requirements.

22.2 **Trends or expected fluctuations in the issuer's liquidity, taking into account demands, commitments, events or uncertainties**

Afine's income is based on long-term rental stream from internationally listed oil companies that escalate annually, hence no material fluctuations are expected.

22.3 **Working capital requirements**

As per paragraph 22.2, it is expected that all working capital requirements will be met.

22.4 **Liquidity risks associated with financial instruments**

There are no liquidity risks associated with any financial instruments.

22.5 **If the issuer has or expects to have a working capital deficiency, discuss its ability to meet obligations as they become due and how you expect it to remedy the deficiency:**

The Group does not currently have, nor is it foreseen that the Group will have, a working capital deficiency. The Group is generating positive cash flow from operations on a monthly basis.

22.6 Balance sheet conditions or income or cash flow items that may affect the issuer's liquidity

There are no material balance sheet conditions or income or cash flow items that may affect the Company's liquidity, save for any breach of normal lending covenants.

22.7 Legal or practical restrictions on the ability of subsidiaries to transfer funds to the issuer and the effect these restrictions have had or may have on the ability of the issuer to meet its obligations

No restrictions exist.

22.8 Defaults or arrears or anticipated defaults or arrears on:

22.8.1 Dividend payments, lease payments, interest or principal payment on debt

There are no defaults or arrears or anticipated defaults or arrears on any dividend payments, lease payments, interest or debt.

22.8.2 Debt covenants during the most recent completed financial year

The Afine Group did not default on any debt covenants and secured new facilities.

22.8.3 Redemption or retraction or sinking fund payments:

There are no redemption or retraction or sinking fund payments.

22.9 Dividends and dividend policy

The Company intends declaring a distribution to shareholders at least every six months. An interim gross distribution of R16 000 000, being 25 cents per share and more than 75% of the distributable profit for the six months ended 31 August 2021, has been declared on 14 October 2021 ahead of the intended listing and will be payable to those shareholders who are registered as such at that date.

The Company has not determined any fixed dates on which dividends or entitlement to dividends arises but intends to distribute dividends at least every six months. The targeted distribution rate is at least 90% of distributable profit, unless funds are required for acquisition of additional properties. A minimum distribution of 75% of distributable profit will be made as required in terms of the JSE's REIT requirements. There is no arrangement in which future dividends are waived or agreed to be waived.

In terms of paragraph 13.47 of the Listings Requirements, the Company is required to comply with the following distribution provisions:

- the Company must distribute at least 75% of its total distributable profits as a distribution to Shareholders by no later than four months after its financial year end, subject to the relevant solvency and liquidity test as defined in the Companies Act and applied in section 46 of the Companies Act;
- interim distributions may occur before the end of a financial year end;
- the Company will procure that, subject to the solvency and liquidity test and section 46 of the Companies Act, those of its subsidiaries that are property entities incorporated in the Republic of South Africa will distribute at least 75% of their total distributable profits as a distribution by no later than four months after their financial year ends; and
- distributable profit in respect of a financial year is defined as:
 - (i) gross income, as defined in terms of the Income Tax Act;
 - (ii) less deductions and allowances that are permitted to be deducted by a REIT in terms of the Income Tax Act, other than the qualifying distribution (as defined in terms of section 25BB of the Income Tax Act because qualifying distributions form part of distributable profit).

In terms of the MOI, any dividend or other money payable on or in respect of a Share which is unclaimed, may be retained by the Company and may be invested or used as the Directors may deem fit for the benefit of the Company until claimed by the Shareholder concerned, provided that any monies due to the Shareholders must be held in trust by the Company indefinitely, but subject to the laws of prescription, which, as at the date of the adoption of the MOI, provide for a

period of 3 (three) years from the date on which such monies became due, further subject to the relevant provisions of the Prescription Act, 1969.

23. ANALYSIS OF CAPITAL RESOURCES

23.1 The amount, nature and purpose of these commitments

The Company has no capital commitments as at the Last Practicable Date. The Company will generate cash predominantly from rental income and dividends received from the Subsidiaries. The Directors are of the opinion that the Company will always be able to maintain a prudent level of capital resources to meet its development and business growth activities.

23.2 The expected sources of funds (and if debt, the terms of such debt) to meet these commitments

Future property acquisitions will be funded in part through acquisition issues, together with bank or financial institution funding as and when future property acquisition opportunities are identified.

23.3 Expenditures not yet committed but required to maintain the issuer's capacity, to meet the issuer's planned growth or to fund development activities

The Company does not have any required expenditure in order to maintain the existing operations of the Group but will source appropriate funding as and when required to grow the Group in the future. Any planned refurbishment, repairs or maintenance will be funded from operations and excess facilities and cash resources.

23.4 Known trends or expected fluctuations in capital resources, including expected changes in the mix and relative cost of these resources

It is not expected that there will be fluctuations or changes in the mix and relative cost of capital resources.

23.5 Resources of financing that the issuer has arranged but not yet used

As at the Last Practical Date, there have been no material borrowings advanced to the Company, other than those detailed in **Annexure 13**.

23.6 Additional disclosure of significant equity investees

There are no significant equity investees at the Last Practicable Date.

23.7 Working capital statement requirement

The Directors hereby state that, in their opinion, the working capital available to the Group is sufficient for the Group's present requirements for at least the next 12 months from the date of issue of the Pre-listing Statement.

23.8 Financial and trading prospect statements

The Directors hereby state that all the material financial and trading prospects of the Company for the current financial year, together with any material information which may be relevant thereto, including all special factors and risks as mentioned elsewhere in this Pre-listing Statement and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits of the Company, have been disclosed.

24. OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements as at the Last Practical Date.

25. TRANSACTIONS WITH RELATED PARTIES

Neither the Company nor its Subsidiaries has entered into any transactions with related parties over the past three years, other than with the PFS Vendors, details of which are set out in **Annexure 15**. As disclosed in paragraph 3.3 of this Pre-listing Statement, Petroland is a related party to Afine in terms of the Listings Requirements. Salient terms of the Petroland Administration Agreement are set out in **Annexure 14**, which incorporates a right of first refusal on new opportunities.

SECTION 2: ADDITIONAL MATERIAL INFORMATION

26. RISK MANAGEMENT POLICY

The risk management policy adopted by the Audit and Risk Committee is set out in **Annexure 7**.

27. DESIGNATED ADVISOR

The Designated Advisor of the Company at the Listing Date is AcaciaCap Advisors,

28. GOVERNMENT PROTECTION AND INVESTMENT ENCOURAGEMENT LAW

There is no government protection or any investment encouragement law pertaining to any of the businesses operated by the Company.

29. CORPORATE GOVERNANCE

The Company is compliant with the relevant corporate governance principles as set out in the Listings Requirements to the appropriate degree. The Board has outlined the corporate governance statement set out in **Annexure 11**, which statement is also available on the Company's website at www.afineinvestments.com.

30. REGULATORY ACTIONS

No penalties or sanctions have been imposed against the Company by a court or regulatory body and no settlement agreements have been entered into since the date of incorporation of the Company.

31. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 2.1.1 on page 14 of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Pre-listing Statement contains all information required by law and the JSE Listings Requirements.

The Directors declare that the Company is:

- in compliance with the provisions of the Companies Act, specifically relating to its incorporation; and
- operating in conformity with its MOI.

32. COSTS

32.1 The total costs relating to the Listing, payable in cash, which amount to approximately R1 302 613 (excluding VAT), are set out in the table below:

	Estimated amount
Bravura – Corporate Advisor	200 000
AcaciaCap Advisors – Designated Advisor	600 000
PKF – Independent Reporting Accountants	50 000
Appraisal Corporation - Independent Property Valuer"	134 700
JSE - Documentation inspection fees, comprising of:	238 113
- Approval of detailed business plan	5 819
- Ruling – Part-time appointment of CEO and CFO	17 457
- Inspection of MOI	19 203
- New listing	90 776
- Additional fee – Property listing	54 815
- Approval of Independent Property Valuer	5 819
- Application for REIT status	44 224
JSE – Listing fees	29 800
Contingency	50 000
Total	1 302 613

32.2 No preliminary expenses relating to the Listing were incurred by the Company within the three years preceding the date of the Pre-listing Statement.

33. LITIGATION

There are no legal or arbitration proceedings, pending or threatened, of which Afine or any of its Subsidiaries are aware, that may have or have had, in the 12-month period preceding the Last Practicable Date, a material effect on the financial position of the Group and for the foreseeable future.

34. CONSENTS

Each of the Company Advisors has consented in writing to act in the capacities stated and to their names appearing in this Pre-listing Statement and have not withdrawn their consent prior to the publication of this Pre-listing Statement. The Independent Reporting Accountant and the Independent Property Valuer have given and have not withdrawn their written consents to the issue of the Pre-listing Statement, containing their reports in the form and context in which they appear.

35. INTERESTS OF THE COMPANY ADVISORS

None of the Company Advisors have any direct or indirect interests in the property or Shares of the Company or of a related person of the Company and none of such persons is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or of any associate or affiliate of the Company.

36. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents (or copies thereof) will be available for inspection on the Company's website at www.afineinvestments.com and at the Company's registered office and the office of the Designated Advisor during business hours from Thursday, 25 November 2021 up to and including Thursday, 9 December 2021:

- 36.1 the signed Pre-listing Statement;
- 36.2 the MOI as approved by the JSE and the memoranda of incorporation of the Company's major Subsidiaries;
- 36.3 the Material Contracts;
- 36.4 the valuation reports referred to in paragraph 4.1;
- 36.5 a signed copy of the Independent Reporting Accountant's report on the Property Forecast Information of Afine, as set out in **Annexure 2**;
- 36.6 a signed copy of the Independent Auditor's report on the reviewed interim financial information of Afine for the 6 month period ended 31 August 2021, as set out in **Annexure 4**;
- 36.7 a signed copy of the Independent Reporting Accountant's assurance report on the historical financial information of Afine, as set out in **Annexure 6**;
- 36.8 all the Board resolutions authorising and in respect of the Listing, including, *inter alia*, the application for listing and general undertaking to the JSE;
- 36.9 the letters of consent referred to in paragraph 34 above; and
- 36.10 the Shareholder resolutions, details of which are set out in **Annexure 10**.

37. CERTIFICATE AND BOARD STATEMENT

Pursuant to a resolution duly passed by its Board of Directors, Afine hereby applies for the Listing of the Company's Shares on the JSE. The foregoing contains full, true and plain disclosure of all material information relating to Afine. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made. By signing this Pre-listing Statement, the Chairman, the Chief Executive Officer and the Chief Financial Officer, duly authorised as such by a resolution dated 1 June 2021, hereby declare on behalf of the Company that no material changes occurred with regard to the business and financial affairs of the Company since 28 February 2021, other than as disclosed in this Pre-listing Statement.

Dated at Strand on 17 November 2021



M.J. Watters (Chairman)



J. (Anton) Loubser (Chief Executive Officer)

ANNEXURE 1: PROPERTY FORECAST INFORMATION

The report of the Property Forecast Information set out below is the responsibility of the Directors.

Profit or Loss Forecast

Figures in Rand	28 February 2022	28 February 2023
Revenue		
Rental Income	37 609 010	34 556 440
Revenue straight-line adjustment	3 859 272	1 159 344
	41 468 282	35 715 784
Other operating expenses	4 711 281	2 444 481
Other operating gains (bargain purchase)	55 559 228	-
Operating profit	92 316 229	33 271 303
Finance costs (see note 7)	(4 879 500)	(6 252 098)
Finance income	209 250	-
Fair value adjustments	129 466 954	-
Profit for the year	217 112 933	26 918 772
Dividend distribution	(26 000 000)	(25 000 000)
Transfer to retained income for the year	191 112 933	1 918 772

Notes and Assumptions

- All revenue is contracted, with no uncontracted income.
- Contracted revenue is based on existing lease agreements including any escalations, all of which leases are valid and enforceable. The revenue for the year ending 28 February 2022 is slightly higher due to once off revenue associated with refurbishments.
- Any utility recoveries are either based on meter readings or as agreed to in the leases. These recoveries are assumed to increase as council charges increase.
- Property operating expenditure has been forecast on a line-by-line basis for each property based on management's review of historical expenditure prior to acquisition by Afine. Forecast expenditure is not expected to vary materially from such historic expenditure except for the line items in Note 5 below. The operating expenditure has not been compared to the historical financial information contained in **Annexure 5** as the periods are not comparable.
- Accounting and audit fees have increased due to the Listing. Property management fees have decreased due to project management fees having historically been included in management fees (this not being the case going forward), together with the conclusion of certain salaries, previously incurred by each individual property company and the salaries from the Chief Executive Officer and Chief Financial Officer now being paid by Afine.
- Fair value adjustments of R129 466 954 as well as Gain on bargain purchase of R55 559 228 have been assumed in the 2022 year due to recent independent property valuations as detailed in **Annexure 17**.
- With regards to finance costs, an average interest rate of prime minus 50 basis points (nominal annual compounded monthly) has been assumed to be incurred on all bank funding, which is the rate which has been agreed with Investec Bank Limited going forward and approximates the rate charged by KSP Offshore. This amount has increased for the year ending 28 February 2023 as no interest was payable on the related party loans, which were repaid in November 2021. No interest was payable on the R41 618 465 loans from related parties. These related party loans were repaid in November 2021 using a shareholder loan from KSP Offshore, which loan incurs interest. Additional information in this regard is included in **Annexure 4** (note 11 on page 55) and **Annexure 13** (page 120) of this Pre-listing Statement.
- The period ending 28 February 2022 is for the period from 1 March 2021, taking into account the respective dates of the property acquisitions with effect from 1 March 2021 as detailed in **Annexure 17**.

9. A reconciliation of the profit for the year to expected attributable earnings is set out below:

Figures in Rand	28 February 2022	28 February 2023
Profit for the year	217 112 933	26 918 772
Revenue straight-line adjustment	3 859 272	1 159 344
Bargain purchase	55 559 228	-
Fair value adjustments	129 466 954	-
Attributable income	28 227 479	25 759 428
Percentage distribution	92.11%	97.05%
Expected dividend distribution	26 000 000	25 000 000

Earnings per share

Number of shares outstanding	64,000,000	64,000,000
Basic earnings per share (cents per share)	339.24	42.06
Less fair value adjustments (cents per share)	202.29	-
Less Bargain purchase (cents per share)	86.81	-
Headline earnings per share (cents per share)	50.14	42.06
Diluted earnings per share (cents per share)	339.24	42.06
Less fair value adjustments (cents per share)	202.29	-
Less Bargain purchase (cents per share)	86.81	-
Diluted headline earnings per share (cents per share)	50.14	42.06

ANNEXURE 2: INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE PROPERTY FORECAST INFORMATION OF AFINE

"Afine Investments Limited
The Directors
Unit 4602, Greenways
Strand, 7140

REPORT ON THE IDENTIFIED PROPERTY FORECAST INFORMATION INCLUDED IN A PRE-LISTING STATEMENT

We have undertaken a reasonable assurance engagement in respect of the accompanying property forecast of Afine Investments Limited for the periods ending 28 February 2022 and 28 February 2023 set out in **Annexure 1** of the Pre-listing Statement, comprising the forecast statement of profit or loss and other comprehensive income, as required by the JSE Listings Requirements.

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

Board of directors' responsibility for the forecast information and for the assumptions used to prepare the forecast information

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

Inherent limitations

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

Our independence and quality control

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

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

Limited assurance engagement on the reasonableness of the board of directors' assumptions Reporting accountant's responsibility

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

A limited assurance engagement undertaken in accordance with ISAE 3400 involves assessing the

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

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

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

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

Limited assurance conclusion on the reasonableness of the Board of Directors' assumptions

Based on the procedures we have performed and evidence we have obtained, nothing has come to our attention that causes us to believe that the directors' assumptions do not provide a reasonable basis for the preparation and presentation of the forecast information for the periods ending 28 February 2022 and 28 February 2023.

Reasonable assurance engagement on the forecast information

Reporting accountant's responsibility

Our responsibility is to express an opinion based on the evidence we have obtained about whether the forecast information is properly prepared and presented on the basis of the board of directors' assumptions disclosed in Note 1 to the forecast information (the assumptions) and in accordance with the JSE Listings Requirements for forecast information. We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3400, The Examination of Prospective Financial Information (ISAE 3400), issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable assurance about whether such forecast information is properly prepared and presented on the basis of the directors' assumptions disclosed in Note 1 to the forecast information and in accordance with the JSE Listings Requirements for forecast information.

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

Our procedures included:

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

In addition to the above, in accordance with paragraph 13.15(b) of the JSE Listings Requirements, the following procedures were conducted:

- inspection of the signed legally binding agreements accounting for at least 70% of the contracted rental revenue and recoveries and determine that the rental revenue and recoveries to be derived therefrom are accurately reflected as contracted rental revenue;
- Recalculation of the arithmetic accuracy of the forecast information; and
- Ensuring that the majority of the rental revenue is from long-term contracted revenue.

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

Opinion on the forecast information

In our opinion, the forecast information is properly prepared and presented on the basis of the assumptions and in accordance with the JSE Listings Requirements for forecast information for the periods ending 28 February 2022 and 28 February 2023.

Purpose of the report

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

PKF Octagon Incorporated
21 Scott Street
Waverley, 2090

Per H Schalekamp
Director
Registered Auditor

Date: 18 November 2021"

ANNEXURE 3: REVIEWED INTERIM FINANCIAL INFORMATION OF AFINE FOR THE 6 MONTH PERIOD ENDED 31 AUGUST 2021

The report of the reviewed interim financial information of Afine for the 6 month period ended 31 August 2021 set out below is the responsibility of the Directors.

1. Review of activities

Main business and operations

The company is an Investment Property Holding Company. There were no major changes herein during the period.

Business Combinations

After year-end, the group has acquired an additional 50% interest in Lizalor Investments (Pty) Ltd thereby changing the investment from a Joint Venture to a wholly-owned subsidiary of the group. The group obtained the additional 50% at a consideration of R 17 189 688. Refer to note 8 for additional information hereon. The group has also acquired a 50% interest in Coral Lagoon Investments (Pty) Ltd on 1 March 2021 at the consideration of R 7 001 514. Lizalor Investments (Pty) Ltd also holds 50% interest in Coral Lagoon Investments (Pty) Ltd, thereby making Coral Lagoon Investments (Pty) Ltd a wholly-owned subsidiary of the group. Refer to note 8 for additional information hereon. The directors have also decided to list the Afine Investments (Pty) Ltd Group on a suitable South African stock exchange as a REIT entity in order to generate public interest and gain additional capital in order to fund future investments. In preparation for the listing Afine Investment (Pty) Ltd was converted from a private company to a public company on 26 May 2021.

Investment Property

Valuation technique

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of the property being valued. Valuations are done on the open-market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs. Investment property is maintained, upgraded, and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

Investment property was acquired through business combinations of R164 500 000 (2021: R10 946 000). Revaluations were performed during the 6 months ending 31 August 2021, resulting in a total revaluation of R129 466 955. A straightline rental accrual was also recognised at R2 387 045 during the 6 month period.

The total Fair value of Investment Property is R307 300 000 (2021: R10 946 000).

The operating results and statement of financial position of the company are fully set out in the attached financial statements and do not in our opinion require any further comment.

2. Going concern

The condensed financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

The directors have given due consideration to the potential impact of the COVID-19 pandemic on the company's ability to continue as a going concern. The directors believe that the pandemic will have a temporary impact on the business activities. Notwithstanding these short-term challenges the directors are of the view that the company has sufficient resources to continue as a going concern.

3. Events after reporting date

The board has declared an interim dividend of 25 (twenty-five) cents per ordinary share for the six months half-year to 31 August 2021. The interim dividend is, and is hereby, declared payable on 20 November 2021 to shareholders registered in the books of the company at the close of business day on 15 October 2021.

All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial position of the company.

4. Authorised and issued share capital

Subsequent to year end the entity decided to increase its authorised ordinary shares to 1 000 000 000 no par value shares.

5. Dividend

Dividend of R0 (2021: R0) was paid to shareholders.

6. Directors

The directors of the company during the period and up to the date of this report are as follows:

D Kohler (Appointed 1 June 2021)
JT Loubser (Jnr) (Appointed 1 June 2021)
JT Loubser (Snr) (Appointed 1 June 2021)
PM Todd (Appointed 1 June 2021)
MJ Watters (Appointed 1 June 2021)

7. Secretary

The company designated secretary is S Vosloo.

8. **Shareholder**

There have been no changes in ownership during the current financial period.

The shareholder and its interest at the end of the 6month period is:

	Holding
KSP Offshore Limited	100.00%

9. **Interest in subsidiaries**

The interest of the holding company in the profits and losses of its subsidiaries for the period ended 31 August 2021 are as follows:

Lizalor Investments (Pty) Ltd	100%
Thunder Cats Investments 78 (Pty) Ltd	100%
Clifton Dunes Investments 10 (Pty) Ltd	100%
Clifton Dunes Investments 79 (Pty) Ltd	100%
Investment Facility Company Three Three Six (Pty) Ltd	100%
Coral Lagoon Investments (Pty) Ltd	100%

During this financial period, the group has acquired an additional 50% interest in Lizalor Investments (Pty) Ltd and an additional 50% interest in Coral Lagoon Investments (Pty) Ltd, thereby changing the Investments from Joint Ventures to wholly-owned subsidiaries of the group. The directors has also decided to list the Afine Investments (Pty) Ltd Group on the AltX stock exchange as a REIT entity in order to generate public interest and gain additional capital in order to fund future investments. In preparation of the listing Afine Investment (Pty) Ltd was converted from a private company to a public company on 26 May 2021.

10. **Liquidity and solvency**

The Board declares that it has considered the maintenance of solvability and liquidity of the Company and that, in its opinion, the payment of the dividend in November 2021 will not lead to the Company not being able to meet its commitments, in the ordinary course of business.

11. **Compilers**

LDV Accountants Incorporated compiled the condensed financial statements for the period under review.

Condensed Statement of Financial Position

Figures in R	Notes	Reviewed	Audited
		31 August 2021	28 February 2021
Assets			
Non-current assets			
Investment property	3	307,300,000	10,946,000
Equity accounted investments		-	13,237,836
Total non-current assets		307,300,000	24,183,836
Current assets			
Trade and other receivables		158,185	6,065,436
Cash and cash equivalents		15,118,487	228,412
Total current assets		15,276,672	6,293,848
Total assets		322,576,672	30,477,684
Equity and liabilities			
Equity			
Issued capital		5,302,000	6,002,000
Retained income / (accumulated loss)		174,473,206	(1,195,848)
Total equity		179,775,206	4,806,152
Liabilities			
Non-current liabilities			
Deferred tax liabilities		59,336,282	2,358,101
Bank loans		31,472,729	-
Total non-current liabilities		90,809,011	2,358,101
Current liabilities			
Trade and other payables		878,529	100,524
Current tax liabilities		268,547	14,736
Other financial liabilities		-	382,616
Bank loans		9,373,394	-
Loans from related parties		41,471,985	22,815,555
Total current liabilities		51,992,455	23,313,431
Total liabilities		142,801,466	25,671,532
Total equity and liabilities		322,576,672	30,477,684

Condensed Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	Reviewed	Audited
		6 months ended 31 August 2021	1 month ended 28 February 2021
Revenue	6	21,834,984	-
Other expenses		(2,014,625)	-
Profit from operating activities		19,820,359	-
Gain on bargain purchase in a business combination		55,627,004	2,756,004
Fair Value adjustment		131,854,000	-
Finance income		121,997	-
Finance costs		(2,183,940)	-
Share of loss from equity accounted investments		-	(3,951,852)
Profit / (loss) before tax		205,239,420	(1,195,848)
Income tax expense		(29,570,366)	-
Profit / (loss) for the period		175,669,054	(1,195,848)
Earnings per share from continuing and discontinuing operations attributable to owners of the parent during the period			
Basic earnings per share			
Basic earnings / (loss) per share	7	274.4829	(1,868.5100)
Diluted earnings per share			
Diluted earnings / (loss) per share	7	274.4829	(1,868.5100)
Headline earnings per share			
Headline earnings per share	7	27.7475	-

Condensed Statement of Changes in Equity

Figures in R	Issued capital	Retained income / (accumulated loss)	Total
Balance at 1 March 2020	6,002,000	-	6,002,000
Changes in equity			
Loss for the period	-	(1,195,848)	(1,195,848)
Total comprehensive income for the period	-	(1,195,848)	(1,195,848)
Balance at 28 February 2021	6,002,000	(1,195,848)	4,806,152
Balance at 1 March 2021	6,002,000	(1,195,848)	4,806,152
Changes in equity			
Profit for the period	-	175,669,054	175,669,054
Total comprehensive income for the period	-	175,669,054	175,669,054
Reduction in share capital	(700,000)	-	(700,000)
Balance at 31 August 2021	5,302,000	174,473,206	179,775,206

Condensed Statement of Profit or Loss and Other Comprehensive Income

Figures in R	Notes	Reviewed 6 months ended 31 August 2021	Audited 1 month ended 28 February 2021
Net cash flows from operations	13	14,140,200	-
Interest paid		(2,183,940)	-
Interest received		121,997	-
Net cash flows from operating activities		12,078,257	-
Cash flows from investing activities			
Cash acquired through business combination		2,501,810	-
Cash acquired through business combinations		-	228,412
Cash flows from investing activities		2,501,810	228,412
Cash flows used in financing activities			
Reduction in share Capital		(700,000)	-
Repayment of borrowings		(4,115,173)	-
Proceeds from shareholders loans		91,023	-
Repayment of loans from related parties		(6,199,867)	-
Cash flows used in financing activities		(10,924,017)	-
Net increase in cash and cash equivalents		3,656,050	228,412
Cash and cash equivalents at beginning of the period		228,412	-
Cash and cash equivalents at end of the period		3,884,462	228,412

1. General information

Afine Investments Limited ('the company') is an Investment Property Holding Company.

The company is incorporated as a Public Company and domiciled in South Africa. The address of its registered office is Unit 4602, Greenways, Strand, Western Cape, 7140.

2. Basis of preparation and summary of significant accounting policies

The condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa. The accounting policies applied in the preparation of these interim financial statements are in terms of International Financial Reporting Standards and are consistent with those applied in the previous annual financial statements.

3. Investment property

3.1 Accounting policies

Definition

Investment property is property (land or a building—or part of a building—or both) held by the entity to earn rentals or for capital appreciation or both, rather than for:

- use in the production or supply of goods or services or for administrative purposes; or
- sale in the ordinary course of business.

Recognition

Investment property is recognised as an asset when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the entity; and
- the cost of the investment property can be measured reliably.

Initial measurement

Investment property is initially measured at cost, with transaction costs and other directly attributable expenditure being included in the initial measurement.

The initial cost of investment property interest held under a lease is recognised at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Subsequent measurement - Fair value model

After initial recognition, investment property is measured at fair value.

Disposals

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period of the retirement or disposal.

3.2 Balances at year end and movements for the year

	Reviewed 31 August 2021	Audited 28 February 2021-
Reconciliation for the period		
Balance at the beginning of the period		
At fair value	10,946,000	-
Carrying amount	10,946,000	-
Movements for the period		
Acquisitions through business combinations	164,500,000	10,946,000
Gains (losses) on fair value adjustment	129,466,955	-
Straight-line rental accrual	2,387,045	-
Investment property at the end of the period	307,300,000	10,946,000
Closing balance at the end of the period		
At fair value	307,300,000	10,946,000
Carrying amount	307,300,000	10,946,000

3.3 Valuation techniques used to derive level 3 fair values

3.4 Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of the property being valued. Valuations are performed using either the discounted cash flow method or the capitalisation of net income method or a combination of both methods. The most recent valuation was performed by Appraisal Corporation on 31 May 2021 using a capitalisation and a discounted rate of 10.5%. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Investment property is maintained, upgraded, and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

Investment property was acquired through business combinations of R164 500 000 (2021: R10 946 000). Revaluations were performed during the 6 months ending 31 August 2021, resulting in a total revaluation of R129 466 955. A straightline rental accrual was also recognised at R2 387 045 during the 6 month period.

The significant increase in the fair value of the investment properties held by Thunder Cats Investments 78 (Pty) Ltd, Clifton Dunes Investments 10 (Pty) Ltd, Clifton Dunes Investments 79 (Pty) Ltd and Investment Facility Company Three Three Six (Pty) Ltd resulted from lease agreements being renegotiated during March 2021 at significantly higher lease income rates than was previously earned from these properties. This resulted in the upwards revaluation of R129 466 955.

The total Fair value of Investment Property is R307 300 000 (2021: R10 946 000).

3.5 Information about fair value measurements using significant unobservable inputs (Level 3)

	Group Assets
Fair value at 31 August 2021	
Valuation technique	Discounted Present Value
Unobservable inputs - Discount rate	10.5%
Unobservable inputs - Capitalisation rate	10.5%
Fair value at 28 February 2021	
Valuation technique	Discounted Present Value
Unobservable inputs - Discount rate	9%
Unobservable inputs - Capitalisation rate	9%

Fair Value Sensitivity analysis

The discount and capitalisation rates used in the property valuation are dependent on a number of factors such as location, condition of improvements, current market conditions, lease covenants and the risk inherent in the property. These rates are assessed for each individual property based on its specific circumstances.

The valuations of investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding other inputs constant, would have the following effects on the fair value of the investment property in the statement of comprehensive income:

	2022	2021
Increase in discount and capitalisation rates 0.5% change (2021: 0.5% change)	(13,968,182)	(575,718)
Decrease in discount and capitalisation rates 0.5% change (2021: 0.5% change)	15,365,000	643,449

3.6 Detail of properties

3.6.1 Stand 15848 and Stand 15851

Somerset West, Province of Western Cape

Purchase price	114,000	114,000
Valuation	44,186,000	2,306,000
	44,300,000	2,420,000

3.6.2 Erf 1 Thandekile Township

IT Division, Mpumalanga, Piet Retief

Purchase price	96,900	96,900
Valuation	46,303,100	231,100
	46,400,000	328,000

3.6.3 Erf 2490 Witbank Ext 13 Township

JS Division, Mpumalanga

Purchase price	51,300	51,300
Valuation	23,048,700	2,366,700
	23,100,000	2,418,000

3.6.4 Portion 2 of Erf 654 Parkdene, Ext 3 Township

IR Division, Gauteng

Purchase price	90,000	90,000
Valuation	9,810,000	1,140,000
	9,900,000	1,230,000

3.6.5 Erf 14399 Protea Park, Ext 1

IR Division, North West

Purchase price	68,000	68,000
Valuation	19,032,000	2,392,000
	19,100,000	2,460,000

3.6.6 Remainder Erf 35 Riverside Park, Ext 4

JT Division, Mpumalanga

Purchase price	2,144,340	-
Valuation	45,855,660	-
	48,000,000	-

3.6.7 Extent 2.1877HA & 0.9157HA of portion 150 & portion in extent 1.8042HA of portion 151 Doornpoort no. 295

JR Division, Gauteng

Purchase price	4,730	-
Valuation	116,495,270	-
	116,500,000	-

4. Financial assets

4.1 Carrying amount of financial assets by category

	<u>At amortised cost</u>	<u>Total</u>
Period ended 31 August 2021		
Trade and other receivables excluding non-financial assets	158,185	158,185
Cash and cash equivalents	15,118,587	15,118,487
	15,276,672	15,276,672
	<u>At amortised cost</u>	<u>Total</u>
Period ended 28 February 2021		
Trade and other receivables excluding non-financial assets	6,065,436	6,065,436
Cash and cash equivalents	228,412	228,412
	6,293,848	6,293,848

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

Except as noted above, the carrying values of financial instruments are a reasonable approximation of their fair values.

5. Revenue

5.1 Accounting policies

Revenue is income arising in the course of an entity's ordinary activities.

The company is in the business of leasing of investment property. The company's mainstream revenue is rental income for the letting of property which is recognised and measured according to IFRS 16 (Leases). Recoveries, rebates, and levies received are income recognised and measured in accordance with IFRS 15 (Revenue from Contracts with Customers).

A contract with a customer is recognised when all of the following criteria are met:

- the contract has been approved and all parties to the contract are committed to performing their respective obligations;
- each party's rights regarding the goods or services to be transferred are identifiable;
- payment terms for the goods or services to be transferred are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration in exchange for the goods or services that will be transferred will be collected.

At the inception of a contract, the goods or services promised in the contract are assessed and a performance obligation is identified for each promise to transfer to the customer either:

- a good or service that is distinct; or
- a series of distinct goods or services that are substantially the same and that have the same pattern of transfer.

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised good or service to a customer. Assets are transferred when or as the customer obtains control of that asset.

Measurement

When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation, but excluding estimates of variable consideration that are constrained and any amounts collected on behalf of third parties. The transaction price may include fixed amounts, variable amounts, or both.

The company allocates the transaction price to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to the customer.

The company recognises as an asset the incremental costs of obtaining a contract with a customer if the company expects to recover those costs.

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the company recognises an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the company can specifically identify (for example, costs relating to services to be provided under renewal of an existing contract or costs of designing an asset to be transferred under a specific contract that has not yet been approved);
- the costs generate or enhance resources of the company that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

When either party to a contract has performed, the company presents the contract in the statement of financial position as a contract asset or a contract liability, depending on the relationship between the company's performance and the customer's payment. The company presents any unconditional rights to consideration separately as a receivable.

Contract balances

Trade receivables

A receivable represents the company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due).

Leases

The Group assesses whether a contract is, or contains a lease, at inception of the contract.

A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determines whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the group has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

Leases for which the group is a lessor are classified as a finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

The Group recognise lease payments from operating leases as income on a straight-line basis.

6.1 Revenue comprises:

Levies and other income on investment property	128,985	-
Rebates	1,766,670	-
Operating lease income - rental income	19,939,329	-
Total revenue	21,834,984	-

6.2 Sources of revenue

Contracts with customers	1,895,655	-
Lease agreements	19,939,329	-

7. Earnings per share

7.1 Basic earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

Profit for the period attributable to owners of the company for continuing operations	175,669,054	(1,195,848)
Weighted average number of ordinary shares used in the calculation of basic earnings per share	64,000,000	64,000

7.2 Diluted earnings per share

The earnings used in the calculation of diluted earnings per share are as follows:

Earnings used in the calculation of basic earnings per share for continuing operations	175,669,054	(1,195,848)
--	-------------	-------------

7.3 Headline earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of headline earnings per share are as follows:

Profit for the period attributable to owners of the company for continuing operations	175,669,054	(1,195,848)
IAS33 earnings	175,669,054	(1,195,848)
Less Fair Value adjustment	(131,854,000)	-
Less the re-measurements included in equity-accounted earnings of associates	-	3,951,852
Total tax effects of adjustments	29,570,366	-
Bargain Purchase	(55,627,004)	(2,756,004)
Earnings used in the calculation of headline earnings per share for continuing operations	17,758,416	-
Weighted average number of ordinary shares used in the calculation of headline earnings per share	64,000,000	64,000

8. Segment information

8.1 General information

Factors used to identify the entity's reportable segments, as determined by management that chose to organise the entity around different geographical areas, where certain operating segments have been aggregated together.

Operating segments that have been aggregated together are less than the 10% margin as per IAS34.13 (Quantitative threshold).

Each reportable segment derives its revenues mainly from Rental Income, Rebates and reimburse expensive.

8.2 Segment revenues

Period ended 31 August 2021	Gauteng and North-West	Mpumalanga	Western Cape	Inter-segment Revenue	Revenue from external customers
Revenue	8,832,340	8,588,194	4,821,064	(406,614)	21,834,984

8.3 Other incomes and expenses

	Interest expense	Fair value changes - Investment Property	Interest received	Other expenses	Gain on bargain purchase	Share of profit or loss from joint ventures	Income tax expense - Deferred tax
Period ended 31 August 2021							
Gauteng and North-West	(2,183,855)	25,399,254	10,960	(227,674)	-	-	(5,704,832)
Mpumalanga	(87)	63,243,388	-	(1,061,925)	-	-	(14,484,736)
Western Cape	-	40,824,312	-	(38,130)	-	-	(9,381,120)
Head Office	-	-	111,036	(743,596)	55,627,004	-	-
Total other incomes and expenses	(2,183,942)	129,466,954	121,997	(2,071,324)	55,627,004	-	(29,570,688)
Period ended 28 February 2021							
Gauteng and North-West	-	-	-	-	2,756,004	-	-
Head Office	-	-	-	-	-	(3,951,852)	-
Total other incomes and expenses	-	-	-	-	2,756,004	(3,951,852)	-

8.4 Assets and liabilities

	Segment profit /(loss) before discontinued operations and tax	Total assets	Total liabilities
Period ended 31 August 2021			
Gauteng and North-West	31,391,771	147,439,790	65,305,504
Mpumalanga	72,190,271	119,025,012	25,891,039
Western Cape	46,662,934	44,839,965	9,969,006
Head Office	54,994,444	11,271,905	41,635,916
Total assets and liabilities	205,239,420	322,576,673	142,801,465
Period ended 28 February 2021			
Gauteng and North-West	2,756,004	3,697,733	813,828
Mpumalanga	-	4,906,573	1,098,474
Western Cape	-	2,633,542	943,675
Head Office	(3,951,852)	19,239,836	22,815,555
Total assets and liabilities	(1,195,848)	30,477,684	25,671,532

9. Related parties

9.1 Accounting policies

A related party is a person or entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

9.2 Group companies

Parent company	Afine Investments Limited
Subsidiaries	Lizalor Investments (Pty) Ltd Thunder Cats Investments 78 (Pty) Ltd Clifton Dunes Investments 10 (Pty) Ltd Clifton Dunes Investments 79 (Pty) Ltd Investment Facility Company Three Three Six (Pty) LtdCoral Lagoon Investments 163 (Pty) Ltd

9.3 Other related parties

Entity name	Nature of relationship
Petroland Group (Pty) Ltd	Common management of the directors of the Group
Katherine Street Properties (Pty) Ltd	Common Management of the directors of the Group
Lyndham Trust	Common Management of the directors of the Group
Petroland Developments (Pty) Ltd	Common Management of the directors of the Group

9.4 Related party transactions

	Petroland Group (Pty) Ltd	Katherine Street Properties (Pty) Ltd	Lyndham Trust	Petroland Develop- ments (Pty) Ltd	Total
Period ended 31 August 2021					
Related party transactions					
Purchase of investments	24,191,202	-	-	-	24,191,202
Management fees paid	984,439	-	-	22,024	1,006,462
Period ended 28 February 2021					
Related party transactions					
Purchase of investments	4,616,382.77	504,742.15	18,694,430.08	-	23,815,555

10. Business combinations

10.1 Details of acquisition

Name of acquiree	Principal activity	Date of acquisition	Proportion of voting equity interests acquired %	Consideration paid R
Lizalor Investments (Pty) Ltd	Investment Property	1 March 2021	50	30,427,524
Coral Lagoon Investments 163 (Pty) Ltd	Investment Property	1 March 2021	50	7,001,514
Thunder Cats Investments 78 (Pty) Ltd	Investment Property	28 February 2021	100	1,878,861
Clifton Dunes Investments 10 (Pty) Ltd	Investment Property	28 February 2021	100	1,898,038
Clifton Dunes Investments 79 (Pty) Ltd	Investment Property	28 February 2021	100	1,678,969
Investment Facilities Company 336 (Pty) Ltd	Investment Property	28 February 2021	100	170,000

10.2 Assets acquired and liabilities recognised at the date of acquisition

	31-Aug-21	28-Feb-21
Non-current assets		
Investment property	164,500,000	10,946,000
Current assets		
Trade and other current receivables	-	63,436
Current tax assets	24,884	2,582
Cash and cash equivalents	2,501,810	228,412
Non-current liabilities		
Deferred tax liabilities	(27,412,299)	(2,358,101)
Other non-current financial liabilities	(44,961,296)	-
Current liabilities		
Trade and other current payables	(1,330,169)	(100,524)
Current tax liabilities	(266,888)	(17,318)
Other current financial liabilities	-	(382,616)
Assets acquired and liabilities recognised at the date of acquisition	93,056,042	8,381,871
Consideration paid	37,429,038	5,625,867
Bargain purchase	55,627,004	2,756,003

10.3 Gain recognised in bargain purchase transaction

Recognised in comprehensive income as follows:

Description	Line item in comprehensive income in which recognised		
Subsidiaries and joint ventures combined	Other income - Gain from bargain Purchase	55,627,004	2,756,003

The Fair Value of Investment Property according to the Company's valuation was higher than the valuation performed by the Directors of Lizalor Investments (Pty) Ltd and Coral Lagoon Investments (Pty) Ltd, and that it gave rise to the gain on bargain purchase. The valuation difference arose due to the previous directors valuation using a more prudent approach to the variable cashflows from the agreements, as well as more prudent discount and capitalisation rates, taking the COVID-19 impact into account. These factors decreased the previous directors valuations performed considerably when compared to the independent valuer's valuations.

11. Events after the reporting date - Non-adjusting event

The board has de declared an interim dividend of 25 (twenty-five) cents per ordinary share for the six months half-year to 31 August 2021. The interim dividend is, and is hereby, declared payable on 20 November 2021 to shareholders registered in the books of the company at the close of business day on 15 October 2021.

Subsequent to 31 August 2021, the related parties loan from Petroland and Lyndham Trust will be converted to a shareholders loan from KSP Offshore, financed by Investec Bank Mauritius, which loan is not short-term in nature. KSP Offshore will obtain loan financing from Investec Bank Mauritius. KSP Offshore will lend these funds to the company in order for the company to utilise the funds in settling the loans from Petroland and Lyndham Trust.

All events subsequent to the date of the financial statements and for which the applicable financial reporting framework requires adjustment or disclosure have been adjusted or disclosed.

The directors are not aware of any matter or circumstance arising since the end of the financial period to the date of this report that could have a material effect on the financial position of the company.

12. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

13. Cash flows from operating activities

Profit / (loss) for the period	175,669,054	(1,195,848)
Adjustments for:		
Income tax expense	29,570,366	-
Finance income	(121,997)	-
Finance costs	2,183,940	-
Fair value gain on investment property	(131,854,000)	-
Undistributed losses / (profits) of joint ventures	-	3,951,852
Gain on bargain purchase in a business combination	(55,627,004)	(2,756,004)

Change in operating assets and liabilities:

Trade and other receivables	(5,319,741)	-
Trade and other payables	(360,418)	-
Net cash flows from operations	14,140,200	-

ANNEXURE 4: INDEPENDENT AUDITOR'S REPORT ON THE INTERIM FINANCIAL INFORMATION OF AFINE FOR THE 6 MONTH PERIOD ENDED 31 AUGUST 2021

"Afine Investments Limited
The Directors
Unit 4602, Greenways
Strand, 7140

INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

We have reviewed the condensed consolidated financial statements of Afine Investments Limited set out on **Annexure 3** of the Pre-listing Statement, which comprise the condensed consolidated statement of financial position as at 31 August 2021 and the condensed consolidated statements of comprehensive income, changes in equity and cash flows for the 6 months then ended, and selected explanatory notes and information.

Directors' Responsibility for the Interim Financial Statements

The company's directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Independent Reviewer's Responsibility

Our responsibility is to express a conclusion on these interim financial statements based on our review. We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410 (*Engagements to Review Interim Financial Statements*). ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and other within the entity involved in financial and accounting matters, applying analytical procedures, and evaluating the sufficiency and appropriateness of evidence obtained.

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

We believe that the evidence we obtained in our review is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our review, nothing has come to our attention, that causes us to believe that the condensed consolidated financial statements of Afine Investments Limited for the six months ended 31 August 2021 are not prepared in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PKF Pretoria Incorporated
Per: B Robinson
Director
Registered Auditor

18 November 2021"

Emwil House West
Ground Floor
15 Pony Street
Tijger Vallei Office Park
Silver Lakes, 0081

ANNEXURE 5: HISTORICAL FINANCIAL INFORMATION OF AFINE FOR THE PERIOD ENDED 28 FEBRUARY 2021

This annexure contains a report on the historical financial information of Afine. The information is taken from the audited statement of financial position of Afine as at 28 February 2021 which was prepared in the manner required by the Act, where applicable and in accordance with IFRS and was reported on without qualification by PKF. The Company was incorporated on 12 November 2020 with a stated capital of R2 000. The company had no trading activities until the acquisition of the property portfolio included in **Annexure 17** ("the acquisitions") during the period ended 28 February 2021. The information has been extracted from the consolidated financial statements of the Company for the period from incorporation up to 28 February 2021. The information presented in this **Annexure 5** is the responsibility of the directors of Afine.

PKF has been appointed as the first auditors to the Company and its audit report on the audited historical financial information is contained in **Annexure 6** to this Pre-Listing Statement. There are no facts or circumstances that are material to an appreciation of the state of affairs, financial position, changes in equity, results of operations and cash flows other than the post incorporation acquisitions detailed above.

Segmental information has not been reported as the Company only has one business segment and operates only in South Africa.

The Board of Directors of Afine has made all management decisions since acquisition of control of Afine, which was formerly a shelf company.

There has been no material change in the nature of the business of the Group since 12 November 2020 up to the Last Practicable Date, other than the post incorporation acquisitions mentioned above and as detailed in the Pre-Listing Statement.

As the group only came into effect on 28 February 2021, no adjustments were required to be made to the historical financial information of the Company used in preparing the report of historical financial information in relation to retrospective application of changes in accounting policies or retrospective correction of fundamental errors.

DIRECTOR'S REPORT

The directors have pleasure in submitting their report on the consolidated annual financial statements of Afine Investments (Pty) Ltd for the period ended 28 February 2021.

1. Incorporation

The company was incorporated on 12 November 2020 and obtained its certificate to commence business on the same day. The company commenced with operating activities in February 2021.

2. Nature of business

Afine Investments (Pty) Ltd was incorporated in South Africa with interests in the Property holding industry. The company operates in South Africa.

3. Review of financial results and activities

The consolidated annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. This is the first period of reporting from date of incorporation. The accounting policies have been applied consistently compared to the prior period.

Full details of the financial position, results of operations and cash flows of the company are set out in these consolidated annual financial statements.

4. Share capital

Authorised	Number of shares
Ordinary	100 000
Issued	
Ordinary shares	64 000

Refer to note 8 of the consolidated annual financial statements for detail of the movement in issued share capital.

5. Dividends

No dividends were declared or paid to shareholders during the year.

6. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Changes
D Kohler	Non-executive	Appointed 01 June 2021
JT Loubser (Jnr)	Executive	Appointed 01 June 2021
JT Loubser (Snr)	Executive	Appointed 01 June 2021
S Vosloo	Company secretary	Change in designation 01 June 2021 from founding director on incorporation
PM Todd	Non-executive	Appointed 01 June 2021
MJ Watters	Non-executive	Appointed 01 June 2021

7. Investments in subsidiaries and joint venture

The interest of the holding company in the profits and losses of its subsidiaries and joint arrangements for the period ended 28 February 2021 are as follows:

	Percentage Shareholding %
Lizalor Investment (Pty) Ltd	50%
Thunder Cats Investments 78 (Pty) Ltd	100%
Clifton Dunes 10 (Pty) Ltd	100%
Clifton Dunes Investments 79 (Pty) Ltd	100%
Investment Facility Company Three Three Six (Pty) Ltd	100%

8. Special resolutions

No special resolutions, the nature of which might be significant to the Shareholders in their appreciation of the state of affairs of the company were made by the company during the period covered by this report.

Subsequent to year end the entity decided to increase its authorised ordinary shares to 1 000 000 000 no par value shares.

9. Events after the reporting period

After year end, the group has acquired an additional 50% interest in Lizalor Investments (Pty) Ltd with effect from 1 March 2021, thereby changing the Investment from a Joint Venture to a wholly-owned subsidiary of the group. The group obtained the additional 50% at a consideration of R17 189 688, settled in cash. Refer to note 20 for additional information hereon. The group has also acquired a 50% interest in Coral Lagoon Investments (Pty) Ltd on 1 March 2021 at consideration of R7 001 514. Lizalor Investments (Pty) Ltd also holds 50% interest in Coral Lagoon Investments (Pty) Ltd, thereby making Coral Lagoon Investments (Pty) Ltd a wholly-owned subsidiary of the group. Refer to note 20 for additional information hereon. The directors have also decided to list the Afine Investments (Pty) Ltd Group on a suitable South African stock exchange as a REIT entity in order to generate public interest and gain additional capital in order to fund future investments. In preparation of the listing Afine Investment (Pty) Ltd was converted from a private company to a public company on 26 May 2021.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

10. Going concern

The directors believe that the group has adequate financial resources to continue in operating for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

11. Auditors

PKF Pretoria Incorporated conducted an audit on the accounts of the group for 2021 financial year.

12. Secretary

The company secretary is Mrs S Vosloo.

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2021

Figures in Rand	Note(s)	28 February 2021
Assets		
Non-Current Assets		
Investment property	3	10 946 000
Investments in joint ventures	5	13 237 836
		24 183 836
Current Assets		
Trade and other receivables	6	6 065 436
Cash and cash equivalents	7	228 412
		6 293 848
Total Assets		30 477 684
Equity and Liabilities		
Equity		
Share capital	8	6 002 000
Retained income		(1 195 848)
		4 806 152
Liabilities		
Non-Current Liabilities		
Deferred tax	9	2 358 101
Current Liabilities		
Trade and other payables	10	100 524
Loans from related parties	11	22 815 555
Current tax payable		14 736
Other financial liability		382 616
		23 313 431
Total Liabilities		25 671 532
Total Equity and Liabilities		30 477 684

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand	Note(s)	28 February 2021
Gain on bargain purchase in a business combination		2 756 004
Equity income from joint venture		(3 951 852)
Loss before taxation		(1 195 848)
Taxation		-
Loss for the period		(1 195 848)
Other comprehensive income		-
Total comprehensive loss for the period		(1 195 848)

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Share capital	Retained income	Total equity
Loss for the period	-	(1 195 848)	(1 195 848)
Other comprehensive income	-	-	-
Total comprehensive Loss for the period	-	(1 195 848)	(1 195 848)
Issue of shares	6 002 000	-	6 002 000
Total contributions by and distributions to owners of company recognised directly in equity	6 002 000	-	6 002 000
Balance at 28 February 2021	6 002 000	(1 195 848)	4 806 152
Note(s)	8		

STATEMENT OF CASH FLOWS

Figures in Rand	Note(s)	1 month ended 28 February 2021
Cash flows from operating activities		
Cash generated from operations	12	-
Net cash from operating activities		-
Cash flows from investing activities		
Cash acquired through business combinations		228 412
Net cash from investing activities		228 412
Cash flows from financing activities		
Net cash from financing activities		-
Total cash movement for the period		228 412
Total cash at end of the period		228 412

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated annual financial statements are set out below.

First-time adoption of International Financial Reporting Standards

The company has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied for the first time during the current year since this is the company's first year of operations.

1.1 Basis of preparation

The consolidated financial statements of the Afine Investments (Pty) Ltd group have been prepared in accordance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these consolidated financial statements. The Group consolidated financial statements have been prepared on the cost basis, except for the following material items in the consolidated statement of financial position:

- Investment properties measured at fair value.

1.2 Consolidated and separate financial statements

Basis of consolidation

The consolidated annual financial statements incorporate the consolidated annual financial statements of the company and all subsidiaries.

Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated consolidated annual financial statements from the effective date of acquisition to the effective date of disposal. All the subsidiaries have the same financial year-end as the holding company.

Adjustments are made when necessary to the consolidated annual financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Business combinations

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the parent.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held for Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the period. Where the existing shareholding was classified as an available-for-sale financial asset, the cumulative fair value adjustments recognised previously to other comprehensive income and accumulated in equity are recognised in profit or loss as a reclassification adjustment.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss as a gain on bargain purchase adjustment.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.3 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement.

An interest in a joint venture is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, interests in joint ventures are carried in the statement of financial position at cost adjusted for post acquisition changes in the company's share of net assets of the joint venture, less any impairment losses.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in a joint venture in excess of the company's interest in that joint venture, including any other unsecured receivables, are recognised only to the extent that the company has incurred a legal or constructive obligation to make payments on behalf of the joint venture.

Any goodwill on acquisition of a joint venture is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the company and a joint venture are eliminated to the extent of the company's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the company.

When the company loses joint control, the company proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.4 Significant judgements and sources of estimation uncertainty

The preparation of consolidated annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the consolidated financial statements. Significant judgment include:

Trade Receivables

The Group assesses its trade receivables and loans and receivables for impairment at the end of each reporting period.

Fair Value Estimation

The fair value of financial instruments that are not traded in an active market (for example, over the counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

Critical judgments in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

1.5 Investment property

Investment properties include land and buildings and undeveloped land held either to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business or for administration purposes.

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

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

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

Investment properties include land and buildings held either to earn rental income or for capital appreciation, or both, but not for sale in the ordinary course of business or for administration purposes.

The cost of investment property comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment property is capitalised if the criteria for investment property are met. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

1.5 Investment property (continued)

Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. Valuations are done on the open-market value basis and the valuers use either the discounted cashflow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs.

Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve and/or to improve the capital value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are recognised in profit or loss.

1.6 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments. The classification of financial instruments, which are adopted by the group, are as follows:

Financial assets which are debt instruments:

- Amortised cost.

Financial liabilities:

- Amortised cost; or

Trade and other receivables Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at contract value plus transaction costs, if any.

Trade and other receivables are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

1.6 Financial instruments (continued)

Trade and other receivables Classification

The application of the effective interest method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit-impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. The entity therefore applies the simplified approach per IFRS 9.

Measurement and recognition of expected credit losses

The company makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in other operating expenses in profit or loss as a movement in credit loss allowance.

1.6 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from shareholders and borrowings are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans and borrowings are measured, at initial recognition, at fair value plus transaction costs, if any.

Borrowings and loans are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Trade and other payables are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

Trade and other payables are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

1.6 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are measured at amortised cost.

1.7 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

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 an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

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

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

1.7 Tax (continued)

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

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

1.8 Leases

The company assesses whether a contract is, or contains a lease, at the inception of the contract.

A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In order to assess whether a contract is, or contains a lease, management determine whether the asset under consideration is "identified", which means that the asset is either explicitly or implicitly specified in the contract and that the supplier does not have a substantial right of substitution throughout the period of use. Once management has concluded that the contract deals with an identified asset, the right to control the use thereof is considered. To this end, control over the use of an identified asset only exists when the company has the right to substantially all of the economic benefits from the use of the asset as well as the right to direct the use of the asset.

In circumstances where the determination of whether the contract is or contains a lease requires significant judgment, the relevant disclosures are provided in the significant judgments and sources of estimation uncertainty section of these accounting policies.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease. Operating lease income is included in revenue. The difference between the contractual cash flows and the straight-lining revenue is recognised as an operating lease asset/liability as part of the cost of the Investment Property.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.9 Revenue

The group recognises revenue from the following major source:

- Lease Income (Refer to the policy on Leases for the recognition of revenue from leases)
- Recovery of costs related to Operating leases
- Dividend income

Recovery of costs related to operating leases

The recovery of expenses represents the recovery of costs by the Group for the provision of services as stipulated in the lease agreement. The Group manages the relationships with its suppliers and is responsible for the payment of services regardless of whether the property is fully let or not. In the event that the expense is not recoverable from tenants, the group continues to have an obligation to the suppliers for the settlement of the amount due. The group is responsible for providing the services to tenants. The Group acts as a principal on its own account when recovering operating costs from tenants.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's right to receive payment is established.

1.10 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.11 Fair Value Fair Value determination

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the annual financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Represents those assets which are measured using unadjusted quoted prices in active markets for identical assets or liabilities that the group can access at measurement date.
- Level 2: Inputs other than quoted prices that are observable for the assets either directly (as prices) or indirectly (derived from prices)
- Level 3: Applies inputs which are not based on observable market data.

For assets and liabilities that are recognised in the annual financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.12 Related Parties

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this standard referred to as the 'reporting entity').

- A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control of the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- An entity is related to a reporting entity if any of the following conditions apply:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - Both entities are joint ventures of the same third party;
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity;
 - The entity is controlled or jointly controlled by a person identified as a related party;
 - A person identified as having control or joint control over the reporting entity has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity);
 - The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity;

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current period

In the current period, the company has adopted the following standards and interpretations that are effective for the current financial period and that are relevant to its operations:

Standard/ Interpretation	Effective date Years beginning on or after	Expected impact
Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS 7	01 January 2020	All impact is deemed not to be material
Definition of a business - Amendments to IFRS 3	01 January 2020	All impact is deemed not to be material
Presentation of Financial Statements: Disclosure initiative	01 January 2020	All impact is deemed not to be material
Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure Initiative	01 January 2020	All impact is deemed not to be material

3. Investment property

	2021		
	Cost / Valuation	Accumulated Depreciation	Carrying value
Investment property	10 946 000	-	10 946 000

Reconciliation of investment property

	Opening Balance	Additions through Business combinations	Total
Investment property	-	10 946 000	10 946 000

**1 month
Ended
28 February
2021**

Figures in Rand

3. Investment property (continued)

Details of property

Stand 15848 and Stand 15851

Somerset West, Province of Western Cape

- Purchase price	114 000
- Fair value adjustments	2 306 000
	2 420 000

Erf 1 Thandekile Township

- Purchase price	96 900
- Fair value adjustments	2 321 100
	2 418 000

Erf 2490 Witbank Ext 13 Township

- Purchase price	51 300
- Fair value adjustments	2 366 700
	2 418 000

Portion 2 of Erf 654 Parkdene, Ext 3 Township

- Purchase price	90 000
- Fair value adjustments	1 140 000
	1 230 000

Erf 1439 Protea Park Ext 1

Terms and conditions	68 000
- Purchase price	
- Fair value adjustments	2 392 000
	2 460 000

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Fair Value Information

The fair value measurement of investment properties has been categorised as a level 3 input, based on inputs that are not based on observable market data.

Valuation methodology

The investment properties are valued annually by the directors.

The Directors' valuations of the investment properties are calculated on the discounted present value of the future net cash flows expected to be generated from contractually agreed leases in place at 28 February 2021. The expected cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate of 9% per annum.

Unobservable inputs

Discount rate – 9%

Capitalisation rate – 9%

1 month

Figures in Rand	Ended 28 February 2021
------------------------	---------------------------------------

The discount and capitalisation rates used in the property valuation are dependent on a number of factors such as location, condition of improvements, current market conditions, lease covenants and the risk inherent in the property. These rates are assessed for each individual property based on its specific circumstances.

The valuations of investment properties are sensitive to changes in the unobservable inputs used in such valuations. Changes to one of the unobservable inputs, while holding other inputs constant, would have the following effects on the fair value of the investment property in the statement of comprehensive income:

Increase in discount and capitalisation rates (0.5% change)	(R 575,718)
Decrease in discount and capitalisation rates (0.5% change)	R 643,449

4. Investments in subsidiaries

We extracted the below information from the separate AFS for the period.

	Held By	Country of Incorporation	% per Individual AFS
Thunder Cats Investments 78 (Pty) Ltd	Afine Investments Ltd	South Africa	100.00%
Clifton Dunes Investments 10 (Pty) Ltd	Afine Investments Ltd	South Africa	100.00%
Clifton Dunes Investments 79 (Pty) Ltd	Afine Investments Ltd	South Africa	100.00%
Investment Facility Company Three Three Six (Pty) Ltd	Afine Investments Ltd	South Africa	100.00%

Business Combinations

Thunder Cats Investments 78 (Pty) Ltd

During the year, the group acquired 100% of the issued share capital of Thunder Cats Investments 78 (Pty) Ltd, a real-estate investment company. The interest was acquired to further expand the investment holding of the entity in order to list on a suitable South African stock exchange. The gain on acquisition of the interest has been recognised in accordance with IFRS 10 in profit and loss at the date of acquisition.

The fair values of assets acquired and liabilities assumed summarised by each major category are as follows:

Total assets	2 432 367
Total liabilities	(553 405)
Net identifiable assets	1 878 962
Net identifiable assets acquired at 100%	1 878 962
Less: consideration paid	(1 878 861)
Gain on bargain purchase on business combination	101

The Directors' valuations of the investment properties are calculated on the discounted present value of the future net cash flows expected to be generated from contractually agreed leases in place at 28 February 2021. The expected cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate of 9% per annum.

Figures in Rand

4. Investments in subsidiaries (continued)

Clifton Dunes 10 (Pty) Ltd

During the year, the group acquired 100% of the issued share capital of Clifton Dunes 10 (Pty) Ltd, a real-estate investment company. The interest was acquired to further expand the investment holding of the entity in order to list on a suitable South African stock exchange. The gain on acquisition of the interest has been recognised in accordance with IFRS 10 in profit and loss at the date of acquisition.

The fair values of assets acquired and liabilities assumed summarised by each major category are as follow:

Total assets	2 476 788
Total liabilities	(547 651)
Net identifiable assets	1 929 137
Net identifiable assets acquired at 100%	1 929 137
Less: consideration paid	(1 898 038)
Gain on bargain purchase on business combination	31 099

The Directors' valuations of the investment properties are calculated on the discounted present value of the future net cash flows expected to be generated from contractually agreed leases in place at 28 February 2021. The expected cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate of 9% per annum.

Clifton Dunes 79 (Pty) Ltd

During the year, the group acquired 100% of the issued share capital of Clifton Dunes 79 (Pty) Ltd, a real-estate investment company. The interest was acquired to further expand the investment holding of the entity in order to list on a suitable South African stock exchange. The gain on acquisition of the interest has been recognised in accordance with IFRS 10 in profit and loss at the date of acquisition.

The fair values of assets acquired and liabilities assumed summarised by each major category are as follow:

Total assets	2 633 542
Total liabilities	(943 675)
Net identifiable assets	1 689 867
Net identifiable assets acquired at 100%	1 689 867
Less: consideration paid	(1 678 969)
Gain on bargain purchase on business combination	10 898

The Directors' valuations of the investment properties are calculated on the discounted present value of the future net cash flows expected to be generated from contractually agreed leases in place at 28 February 2021. The expected cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate of 9% per annum.

Figures in Rand

4. Investments in subsidiaries (continued)

Investment Facility Company Three Three Six (Pty) Ltd

During the year, the group acquired 100% of the issued share capital of Investment Facility Company Three Three Six (Pty) Ltd, a real-estate investment company. The interest was acquired to further expand the investment holding of the entity in order to list on a suitable South African stock exchange. The gain on acquisition of the interest has been recognised in accordance with IFRS 10 in profit and loss at the date of acquisition.

The fair values of assets acquired and liabilities assumed summarised by each major category are as follow:

Total assets	3 697 733
Total liabilities	(813 828)
Net identifiable assets	2 883 905
Net identifiable assets acquired at 100%	2 883 905
Less: consideration paid	(170 000)
Gain on bargain purchase on business combination	2 713 905

The Directors' valuations of the investment properties are calculated on the discounted present value of the future net cash flows expected to be generated from contractually agreed leases in place at 28 February 2021. The expected cash flows are discounted using a risk adjusted discount rate as well as a risk adjusted capitalisation rate of 9% per annum.

Summarised statement of financial position	Non-Current assets	Current assets	Total assets	Non-Current liabilities	Current liabilities	Total liabilities
Thundercats Investments 78 (Pty) Ltd	2 418 000	14 367	2 432 367	530 141	23 264	553 405
Clifton Dunes 10 (Pty) Ltd	2 418 000	58 788	2 476 788	519 861	27 790	547 651
Clifton Dunes 79 (Pty) Ltd	2 420 000	213 542	2 633 542	899 547	44 128	943 675
Investment Facility Company Three Three Six (Pty) Ltd	158 000	7 733	165 733	-	22 660	22 660
	7 414 000	294 430	7 708 430	1 949 549	2 185 233	2 185 233

The net assets recognised in the individual financial statements of the acquired companies are according to the policies adopted by each company in their individual independently reviewed financial statements.

Figures in Rand

5. Interest in joint ventures

Joint ventures

The following table list all of the joint ventures in the company:

	Percentage Shareholding	Carrying Value
Lizalor Investments (Pty) Ltd	50.00%	13 237 836
		13 237 836

The percentage ownership interest of the above joint venture is equal to the percentage voting rights, and the group does not have significant influence over these company.

Lizalor Investments (Pty) Ltd is incorporated in South Africa with interest in the investment property industry. The issued share capital of Lizalor Investment (Pty) Ltd is R100. The financial year-end of Lizalor Investments (Pty) Ltd is 28 February. The financial information above is based on independently reviewed financial statements.

Summarised financial information of material joint venture

Summarised Statement of Financial Position	Lizalor Investments (Pty) Ltd
Assets	
Non-current	
Investment property at Fair Value	71 100 000
Investments in jointly controlled entities	7 086 735
Total non-current assets	78 186 735
Current	
Cash and cash equivalents	1 589 810
Total current assets	1 589 810
Liabilities	
Non-current	
Other financial liabilities	32 626 642
Deferred tax	7 097 497
Total non-current liabilities	39 724 139

1 month
Ended
28 February
2021

Figures in Rand

5. Interest in joint ventures (continued)

Summarised financial information of material joint venture (continued)

Current

Trade and other payables	961 160
Other financial liabilities	12 334 654
Current tax payable	280 919
Total current liabilities	<u>13 576 733</u>
Total net assets	<u>26 475 673</u>
Proportionate share of net assets	<u>13 237 836</u>

Reconciliation of net assets to equity accounted investments in joint ventures

Carrying value of investment in joint venture	13 237 836
Acquisitions	17 189 688
Fair value adjustment of joint venture on consolidation	(3 951 852)
Investment at end of period	<u>13 237 836</u>

6. Trade and other receivables

Financial instruments:

Trade receivables	63 436
Other receivables	6 002 000
Total trade and other receivables	<u>6 065 436</u>

The other receivables relate to the subscription for shares, which cash was received immediately after year end.

Refer to the Financial Management & Risk note for the exposure to credit risk.

Split between non-current and current portions

Current assets	<u>6 065 436</u>
----------------	------------------

Financial instrument and non-financial instrument components of trade and other receivables

At amortised cost	<u>6 065 436</u>
-------------------	------------------

**1 month
Ended
28 February
2021**

Figures in Rand

7. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances 228 412

8. Share capital

Authorised

Ordinary shares 100 000

Reconciliation of number of shares issued:

Opening balance -

Additions 64 000

Closing balance **64 000**

Share capital value

Ordinary shares 6 002 000

9. Deferred tax

Deferred tax liability

Revaluation of Investment Property (2 358 101)

Deferred tax liability (2 358 101)

Reconciliation of deferred tax liability

Taxable temporary difference movement on investment property (2 358 101)

**1 month
Ended
28 February
2021**

Figures in Rand

10. Trade and other payables

Financial instruments:

Trade payables	100 524
----------------	---------

Refer to the Financial Management & Risk note for Liquidity risk.

Financial instrument and non-financial instrument components of trade and other payables

At amortised cost	100 524
-------------------	---------

11. Loans from related parties

Petroland Group (Pty) Ltd	4 616 383
Lyndham Trust	17 694 430
Katherine Street Properties (Pty) Ltd	504 742
	22 815 555

These loans are interest free, unsecured and are payable on demand.

12. Cash generated from operations

Loss before taxation	(1 195 848)
Adjustments for:	
Gain on bargain purchase in a business combination	(2 756 004)
Fair value adjustment of joint venture on consolidation	3 951 852
	-

13. Tax refunded

Movement through business combinations	(14 736)
Balance at end of the period	14 736

14. First-time adoption of International Financial Reporting Standards

The company has applied IFRS 1, First-time adoption of International Financial Reporting Standards, to provide a starting point for the reporting under International Reporting and Accounting Standards. On principle these standards have been applied for the first time during the current year since this is the company's first year of operations.

Figures in Rand

15. Related parties

Relationships

Subsidiaries

Thunder Cats Investments 78 (Pty) Ltd
Clifton Dunes Investments 10 (Pty) Ltd
Clifton Dunes Investments 79 (Pty) Ltd
Investment Facility Company Three Three Six
(Pty) Ltd

Joint ventures

Lizalor Investments (Pty) Ltd

Holding company

KSP Offshore Limited

Entity under common management

Petroland Group (Pty) Ltd
Lyndham Trust
Katherine Street Properties (Pty) Ltd

Related party balances

Group current accounts – Owing (to) / by related parties

KSP Offshore Limited	6 002 000
Petroland Group (Pty) Ltd	(4 616 383)
Lyndham Trust	(17 694 430)
Katherine Street Properties (Pty) Ltd	(504 742)

16. Comparative figures

No comparative figures have been presented as these are the first consolidated annual financial statements of the company.

Figures in Rand

17. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

	Note(s)	Amortised Cost	Total	Fair value
Trade and other receivables	6	6 065 436	6 065 436	6 065 436
Cash and cash equivalents	7	228 412	228 412	228 412
		6 293 848	6 293 848	6 293 848

Categories of financial liabilities

	Note(s)	Amortised Cost	Total	Fair value
Trade and other receivables	10	100 524	100 524	100 524
Loans from shareholders		22 815 555	22 815 555	22 815 555
		22 916 079	22 916 079	22 916 079

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

Figures in Rand		1 month Ended 28 February 2021
17. Financial instruments and risk management (continued)		
Loans from related parties	11	22 815 555
Trade and other payables	10	100 524
Total borrowings		22 916 079
Cash and cash equivalents	7	(228 412)
Net borrowings		22 687 667
Equity		6 002 000
Gearing ratio		378%

Financial risk management

The loan from related parties, being Petroland and Lyndham Trust, is in the process of being refinanced with a long term shareholders loan.

Overview

The company is exposed to the following risks from its use of financial instruments:

- Credit risk; and
- Liquidity risk.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk is presented in the table below:

		2021		
		Gross carrying amount	Credit Loss allowance	Amortised cost / fair value
Trade and other receivables	6	6 065 436	-	6 065 436
Cash and cash equivalents	7	228 412	-	228 412
		6 293 848	-	6 293 848

17. Financial instruments and risk management (continued)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

	Less than 1 year	Total	Carrying amount
Current liabilities			
Trade and other payables	100 524	100 524	100 524
Other financial liability	382 616	382 616	382 616
Loans from related parties	22 815 555	22 815 555	22 815 555

The loan from related parties is in the process of being refinanced with a long term shareholders loan.

18. Going concern

The directors believe that the group has adequate financial resources to continue in operating for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

19. Events after the reporting period

After year end, the group has acquired an additional 50% interest in Lizalor Investments (Pty) Ltd thereby changing the Investment from a Joint Venture to a wholly-owned subsidiary of the group. The group obtained the additional 50% at a consideration of R17 189 688. Refer to note 20 for additional information hereon.

The group has also acquired a 50% interest in Coral Lagoon Investments (Pty) Ltd on 1 March 2021 at consideration of R 7 001 514. Lizalor Investments (Pty) Ltd also holds 50% interest in Coral Lagoon Investments (Pty) Ltd, thereby making Coral Lagoon Investments (Pty) Ltd a wholly-owned subsidiary of the group. Refer to note 20 for additional information hereon.

The entity is in the process to list the Afine Investments (Pty) Ltd Group on a suitable South African stock exchange as a REIT entity in order to generate public interest and gain additional capital in order to fund future investments. In preparation of the listing Afine Investment (Pty) Ltd was converted from a private company to a public company on 26 May 2021.

Subsequent to year end the entity decided to increase its authorised ordinary shares to 1 000 000 000 no par value shares.

Sasol Somerset West (Clifton Dunes Investments 79), Sasol Piet Retief (Clifton Dunes Investments 10) and Sasol Grassnyers (Thunder Cats Investments) commenced refurbishment projects after year end and new 10 year long term leases were signed with Oil Majors. This substantially increased the valuation of these properties. All the properties were independently valued after year end ahead of the listing, in accordance with the JSE Listings Requirements.

The Company is also in the process of replacing a current related party loan with a long term shareholders loan, which process will be finalised before year end.

The directors are not aware of any other material event which occurred after the reporting date and up to the date of this report.

20. Subsequent Business Combination

Business Combinations subsequent to year-end

Lizalor Investments (Pty) Ltd

The group acquired an additional 50% interest in Lizalor Investments (Pty) Ltd on 1 March 2021 for the cash consideration of R17 189 688. The group acquired the additional 50% in order to increase their real-estate portfolio held within the group. The Group obtained control through majority shareholding in the company by holding 100% of the voting rights as a group.

The acquisition of the subsidiary resulted in a gain on bargain purchase of R30 556 934 from R71 100 000 to R116 500 000 due to the revaluation of the Investment properties. The gain on bargain purchase will be recognised in the Statement of Other Comprehensive Income.

Coral Lagoon Investments (Pty) Ltd

The group acquired an additional 50% interest in Coral Lagoon Investments (Pty) Ltd on 1 March 2021 for the cash consideration of R7 001 514. The group acquired the additional 50% in order to increase their real-estate portfolio held within the group. The Group obtained control through majority shareholding in the company by holding 100% of the voting rights as a group.

The acquisition of the subsidiary resulted in a gain on bargain purchase of R26 127 650 from R16 300 000 to R48 000 000 due to the revaluation of the Investment properties. The gain on bargain purchase will be recognised in the Statement of Other Comprehensive Income.

ANNEXURE 6: REPORTING ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF AFINE AS AT DATE OF INCORPORATION

"Afine Investments Limited
The Directors
Unit 4602, Greenways
Strand, 7140

Dear Sirs / Madam

Independent reporting accountant's report on the historical financial information of Afine ("Afine") for the period ended 28 February 2021

At your request and for the purposes of the Pre-Listing Statement to be dated on or about 25 November 2021 ("**the Pre-Listing Statement**"), we present our audit report on the historical financial information of Afine at this company's date of incorporation, presented in **Annexure 5** of the Pre-Listing Statement for the purpose of this report, in compliance with the JSE Listings Requirements.

The historical financial information of Afine consists of the Statement of Financial Position, the Statement of Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity and notes thereto, including a summary of the significant accounting policies as at the date of incorporation ("**Historical Financial Information of Afine**") presented in **Annexure 5** of the Pre-Listing Statement, and has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), for the purpose of providing financial information to satisfy the requirements of Section 8 of the JSE Limited Listings Requirements ("**Listing Requirements**") and for no other purpose.

The directors of Afine are responsible for the preparation of the Report of Historical Financial Information of Afine. The directors are ultimately responsible for the compilation, contents and preparation of the Pre-Listing Statement, including the Report of Historical Financial Information of Afine.

Opinion

We have audited the Historical Financial Information of Afine as at the date of incorporation, prepared in accordance with IFRS and the Listing Requirements.

In our opinion, the Historical Financial Information of Afine at the date of incorporation presents fairly, in all material respects, for the purposes of the Pre-Listing Statement, the financial position, financial performance and cash flows of Afine at the date of incorporation in accordance with IFRS and the JSE Listing requirements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Reporting Accountant's Responsibilities for the Audit of the historical financial information section of our report. We are independent of Afine in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with corresponding sections the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion in the Historical Financial Information of Afine.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our reporting accountant's report on the historical financial information of Afine as at date of incorporation. These matters were addressed in the context of our report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matter relating to investment property valuation.

Key audit matter	How the matter was addressed in the audit
<p>Valuation of investment properties (note 3) At 28 February 2021, investment property represents a material number of the Company's assets.</p> <p>The revaluation of these properties to fair market value is considered to be a key audit matter due to the large degree of subjectivity and judgement involved in determining these valuations and the significant impact that it would have on the asset value of the Company, being a key indicator to the shareholders.</p> <p>These valuations were prepared by management.</p> <p>The valuation inputs and judgements as disclosed in Notes 3 with the most significant inputs including the net revenue stream, capitalisation rates, vacancy rates and applicable adjustment factors.</p>	<p>We confirmed by inspecting the valuation model that the approach that management used is consistent with IFRS requirements and industry norms.</p> <p>We evaluated the judgements applied in determining the fair value, in particular:</p> <ul style="list-style-type: none">• The model used by management; and• The significant assumptions including net income used, capitalisation rates, vacancy rates and any other adjustment factors. <p>Furthermore, we tested a selection of data inputs underpinning the investment property valuation including rental income and lease periods against appropriate supporting documentation, that include the signed lease agreements, to assess the accuracy, reliability and completeness thereof.</p> <p>We found that the model used for the property valuations to be appropriate and the net income and capitalisation rates applied were comparable to the market-related rates.</p>

Directors' responsibility for the Historical Financial Information

The directors are responsible for the preparation of the Historical Financial Information of Afine in accordance with IFRS and the Listings Requirements as well as the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the requirements of the Companies Act 71 of 2008, as amended, and for such internal control as the directors determine is necessary to enable the preparation of historical financial information that are free from material misstatement, whether due to fraud or error.

In preparing the Historical Financial Information of Afine, the directors are responsible for assessing Afine's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Afine or to cease operations, or have no realistic alternative but to do so.

Reporting Accountant's responsibility

Our objectives are to obtain reasonable assurance about whether the Historical Financial Information of Afine is free from material misstatement, whether due to fraud or error, and to issue an independent reporting accountant's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Historical Financial Information of Afine.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the Historical Financial Information of Afine, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Afine's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director;
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Afine's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Historical Financial Information of Afine or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent reporting accountant's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the Historical Financial Information, including the disclosures, and whether the historical financial information represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the historical financial information. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Historical Financial Information of Afine as at the date of incorporation and are therefore the key audit matters. We describe these matters in our independent reporting accountant's report unless law or regulation precludes public disclosure about the matter of when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefit of such communication. There are no key audit matters to report.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Pre-Listing Statement in the form and context in which it appears.

Yours faithfully

PKF Octagon Incorporated
21 Scott Street
Waverley, 2090

Per H Schalekamp
Director
Registered Auditor

Date: 18 November 2021"

ANNEXURE 7: RISK MANAGEMENT POLICY

The following Risk Management Policy was adopted by the Company's Audit and Risk Committee on 14 October 2021 in accordance with paragraph 13.46(h)(i) of the Listings Requirements, which policy is in accordance with industry practice and specifically prohibits the Company from entering into any derivative transactions that are not in the normal course of the Company's business.

1. PURPOSE

The board of directors of Afine ("**the Board**") sets out the corporate governance framework for the Company and within this, determines the Company's risk management framework. The Board oversees and delegates the required authority to empower management in the implementation of this framework through the risk management policy, as set out herein ("**Risk Management Policy**"). This Risk Management Policy applies to the entire Company, including subsidiaries and associates, and is aligned with the Company's strategic objectives. The Company is committed to integrating risk management practices into all business processes and operations, to:

- ensure or improve compliance with relevant Acts and Regulations, including compliance with all relevant REIT status provisions;
- ensure that the Company does not enter into any derivative or high-risk transactions, products or instruments that fall outside of the Company's normal course of business;
- drive consistent, effective and accountable action;
- increase the likelihood of the Company achieving objectives;
- improve the identification of opportunities and threats to the Company's sustainability;
- enhance health and safety performance, including but not limited to all environmental considerations affecting the broader petroleum industry in South Africa;
- improve stakeholder confidence and trust;
- improve incident management and reduce associated losses;
- ensure compliance with licensing regulations with specific reference to requirements for the operation and ownership of petrol filling stations in South Africa,
- improve compliance with international norms, and;
- establish a reliable basis for decision making and planning.

2. DEFINITIONS AND ABBREVIATIONS

Corrective Action	means an action required that will ensure any control failure or identified emerging risk is effectively addressed through organisational change management that may include process change/improvement, a new process, updated or new policies, training of employees, suppliers, third parties, engineering changes, structural changes or any other mitigation measure to limit the likelihood and impact of an identified risk.
King IV	means King IV Report for Corporate Governance™ for South Africa 2016.
Risk Owner	means the appointed representative to manage a key business line/function. This could be a position held by an Executive, Middle or Line management individual. This accountability can extend to Supervisor Level.

3. SCOPE

The Board and the Company use a set of principles when evaluating, directing and monitoring risk management in the Company. These principles align with those recommended by King IV. The Board and the Company believe that for this to be effective, risk management must:

- create and protect value for the Company;
- form an integral part of all Company processes;
- form part of all decision-making processes;
- explicitly address uncertainty;
- be systematic, structured and timely;
- be based on the best available information;
- be aligned with the Company's external and internal context and risk profile;
- be transparent and inclusive;
- be dynamic, iterative and responsive to change; and
- facilitate continual improvement of the Company.

4. RESPONSIBILITIES

In fulfilment of this Risk Management Policy:

The Board –

- Sets a risk appetite for the Company in recognition that the extent of their willingness to accept risk in pursuit of the Company strategy is vital for effective decision making within the Company;
- Defines risk tolerances as those acceptable levels within which risk will be tolerated to achieve the Company's objectives, and aligns these levels with the Company's plans and metrics;
- Ensures that a framework and processes are in place to manage unpredictable risks;
- Delegates to the Audit and Risk Committee the responsibility to oversee the Company's risk management;
- Delegates to the Audit and Risk Committee the responsibility to provide assurance on the effectiveness of the Company's risk management; and
- Delegates to the Chief Executive Officer the accountability for integrating risk in the day-to-day activities of the Company.

The Audit and Risk Committee –

- Oversees the establishment and implementation of a risk management framework and reviews the effectiveness of the implementation;
- Oversees the establishment and implementation of a framework and processes to manage unpredictable risks;
- Oversees the establishment and implementation of a risk management plan and reviews the effectiveness of the implementation;
- Monitors and assesses the Company's risk register/s and reviews the risk dashboard;
- Ensures that effective, timely remedial action is undertaken at Risk Owner level to redress areas of weakness in the Company's management of risk;
- Ensures that the Board is fully aware of matters which may significantly impact the sustainability of the business; and
- Undertakes further responsibilities as directed by the Board.

Executive directors –

- Implement and maintain the risk management framework;
- Implement and execute against this Risk Management Policy;
- Implement and maintain a framework and processes to manage unpredictable risks;
- Implements and oversees the risk register;
- Oversee and sign off on risk assessments conducted by Risk Owners;
- Regularly communicates Company risk using a risk dashboard, and supporting risk reporting;
- Assists the Company to understand and manage risk and advises and assesses the processes for managing risk as integrated in the Company's operations;
- Keeps abreast of factors in the internal and external environments that may affect the achievement of strategic objectives; and

- Communicates and interacts with the internal audit function, to the extent applicable, and the Company's external auditors.

Risk Owners –

- Undertake regular risk assessments by assessing the impact (the adverse effect) and the likelihood (the probability) of risks occurring, in accordance with the risk framework;
- Conduct regular review on approved control processes implemented to mitigate and manage the identified risks; and
- Conduct and or oversees Corrective Actions needed on identified control weaknesses.

Internal Audit – if deemed necessary by the Audit and Risk Committee and approved by the Board –

- Provide assurance over the effective operation of this Risk Management Policy, processes, methodologies and internal controls, and
- Notify the Company of new and emerging risks identified in the course of implementing the audit plan.

5. REFERENCE DOCUMENTS

- Charter of the Audit and Risk Committee
- The Annual Financial Statements

6. PROCEDURE – COMPANY COMMITMENT

The Company supports this Risk Management Policy by:

- assessing risk in accordance with the Company's requirements and taking appropriate action to optimise outcomes in a cost-effective manner;
- including risk management in strategy development and evaluation;
- making decisions based on a risk to reward balance;
- supporting the risk register by providing and maintaining the required information and responses;
- monitoring risk using the risk dashboard;
- managing risk within the Company's risk appetite and tolerances;
- managing performance against this Risk Management Policy actively, consistently and effectively;
- measuring progress and verifying compliance with this Risk Management Policy using independent audits and management reviews;
- fostering awareness of and commitment to this Risk Management Policy among its members by providing appropriate information and skills development, and
- reviewing and approving this Risk Management Policy at least on an annual basis and when substantial changes to business are undertaken or when the Company's operating environment, such as the economy and regulation, changes significantly.

7. APPLICATION

- This Risk Management Policy sets out the Board's and the Company's expectations of conduct.
- If a law conflicts with this Risk Management Policy, compliance with the law will take precedence.
- If another Company policy conflicts with this policy, such conflict should immediately be raised with a superior manager or committee.
- Should the standards in this Risk Management Policy be violated, disciplinary action will be followed, which may result in dismissal.
- This Risk Management Policy is to be read in conjunction with the Company's set of policies, protocols, codes and standards, including the Code of Conduct.
- Adherence to this Risk Management Policy will be assessed when determining performance.
- This Risk Management Policy in no way limits responsibility to the Company.
- Operational procedures which may contribute to violations of this Risk Management Policy must be highlighted to management and addressed.
- Contravention, awareness or suspicion of a possible contravention of a company code, policy or protocol, or any law or regulation, must be promptly and confidentially reported

to management, legal counsel or human resources manager, or, if applicable, to the Company's whistle-blowing facility.

8. PROCEDURE MANAGEMENT

When evaluating the effectiveness and adequacy of this document, the following criteria were considered:

- number of obligations that existed, but were not identified;
- number or amount of penalties paid, resulting from lack of compliance with obligations;
- number of days that the compliance with obligations was late;
- changes in any regulatory or legal compliance requirements;
- changes made to any reference documents related to this document; and
- key changes within the Company that may impact this policy / procedure.

The Company will report in its annual report each year that it has monitored compliance with the above Risk Management Policy and whether the Company has, in all material respects, complied with the policy during the year concerned.

The Company Secretary is the custodian of this document and must check and, if necessary, update the document at least once a year, for Board approval.

ANNEXURE 8: EXTRACTS FROM THE MOI

The MOI of Afine contains, *inter alia*, provisions with the effect of providing for the rights attaching to the Ordinary Shares, rotation of non-executive Directors, borrowing powers exercisable by the Directors, and distributions to Shareholders as set out in the extracts below:

“2.3 Amendment and alteration of this MOI

- 2.3.1 This MOI, including without limitation the rights, privileges and limitations applying to any Securities, whether issued or not, may not be altered or amended in any manner whatsoever, unless –
- 2.3.1.1 while Securities remain listed on a Securities Exchange, such Securities Exchange has approved the proposed amendment or alteration before submitting any amendment or alteration for approval by relevant Securities Holders in terms of the remainder of this article 2.3; and
 - 2.3.1.2 if the amendment or alteration relates to the variation of any preferences, rights, limitation and/or any other terms of Securities attaching to any other class of Securities already in issue, a special resolution has been passed by the holders of the Securities in that class at a separate meeting of such Securities Holders, approving the amendment or alteration, prior to the special resolution for the amendment or alteration being proposed to or voted on by Ordinary Shareholders subject to the limitations as detailed in article 2.3.1.3 below and in accordance with the Listings Requirements;
 - 2.3.1.3 in the circumstances in article 2.3.1.2, the holders of the relevant Securities shall in addition be allowed to vote at the general meeting or annual general meeting of the holders of the Ordinary Shares at which the amendment or alteration is proposed, provided that –
 - 2.3.1.3.1 their votes shall not carry any special rights or privileges and they shall be entitled to one vote for each Share that they hold; and
 - 2.3.1.3.2 their total voting right at such general meeting or annual general meeting may under no circumstances exceed 24.99% (twenty four comma nine nine per cent) of the aggregate voting rights of all Shareholders at such meeting; and
 - 2.3.1.4 such alteration or amendment has been approved by a special resolution passed by Ordinary Shareholders,
- provided that, if the amendment or alteration is ordered by a court in terms of sections 16(1)(a) and 16(4) of the Companies Act, the approvals in articles 2.3.1.2, 2.3.1.3 and 2.3.1.4 shall not be required.
- 2.3.2 For purposes of this article 2.3, an amendment or alteration shall include, but not be limited to–
- 2.3.2.1 the creation of any class of Securities;
 - 2.3.2.2 the alteration of the Company's Share capital;
 - 2.3.2.3 the variation of any preferences, rights, limitation and other share terms attaching to any class of Securities;
 - 2.3.2.4 the determination of the preferences, rights, limitations or other terms of a class of Shares contemplated in section 36(1)(d) of the Companies Act;
 - 2.3.2.5 the conversion of one class of Securities into one or more other classes;
 - 2.3.2.6 the increase or decrease of the number of Securities;
 - 2.3.2.7 the consolidation of Securities;
 - 2.3.2.8 the sub-division of Securities;
 - 2.3.2.9 the change of the name of the Company;
 - 2.3.2.10 the reclassification of any classified Securities which have been authorised but not issued; and/or
 - 2.3.2.11 the classification of any unclassified Shares that have been authorised as contemplated in section 36(1)(c) of the Companies Act but are not issued.

3.2.3 **Rights attaching to the Ordinary Shares**

The following rights are applicable to the Ordinary Shares in the Company -

- 3.2.3.1 the right to be entered in the Securities Register or the Uncertificated Securities Register, as the case may be;
- 3.2.3.2 every holder of an Ordinary Share shall have one vote in respect of each Ordinary Share held and shall be entitled to vote at every general meeting or annual general meeting of the Company, whether in person or by Proxy;
- 3.2.3.3 the right to receive any distribution by the Company, if and when declared on the Ordinary Shares, to be made in proportion to the number of Ordinary Shares held by each Ordinary Shareholder; and
- 3.2.3.4 any other rights attaching to the Ordinary Share in terms of the Companies Act or any other law.

4.3 **Shareholders' rights of pre-emption on issue of Equity Securities**

- 4.3.1 Notwithstanding anything to the contrary in this MOI, unissued Equity Securities shall be offered to existing holders of Equity Securities, *pro rata* to their holding of the Equity Securities, unless such Equity Securities are to be issued for an acquisition of assets.

Notwithstanding the afore-going, the Ordinary Shareholders in a general meeting may authorise the Directors to issue unissued Securities and/or grant Options to subscribe for unissued Securities as the Directors in their discretion think fit, provided that such corporate action(s) has/have been approved by the relevant Securities Exchange on which the Company's shares may be listed and are subject to the Listings Requirements.

15.2 **Appointment of Directors**

15.2.1 **Election by Shareholders**

Subject to article 15.2.7, all of the Directors must be elected by Shareholders entitled to exercise voting rights at any general meeting or annual general meeting (provided that such meeting may not be conducted in terms of section 60 of the Companies Act), as contemplated in the Listings Requirements, and Shareholders shall have the right to nominate any person for election as aforesaid.

- 15.2.2 A Director may not be counted in the quorum for a general meeting at which a resolution is proposed for his or her own appointment as a Director to any other office or position of profit in the Company or any of its subsidiaries.

15.2.3 **Alternate Directors**

At least 50% (fifty per cent) of any alternate Directors must be elected by holders of the Company's Securities entitled to exercise voting rights, as contemplated in section 68 of the Companies Act read with section 66(4)(b) of the Companies Act.

15.2.4 **Eligibility or qualification criteria for Directors**

15.2.4.1 In addition to satisfying the qualification and eligibility requirements set out in section 69 of the Companies Act, without limiting the rights of Shareholders and Directors to remove a Director under certain circumstances under the Companies Act, a Director or Prescribed Officer shall not be entitled to remain serving as a Director or a Prescribed Officer of the Company if -

- 15.2.4.1.1 he or she is employed with the Company in terms of any contract of employment, and such employment contract is terminated;
- 15.2.4.1.2 he or she is, pursuant to the provisions of the Listings Requirements, prohibited from acting as a Director;
- 15.2.4.1.3 he or she resigns his or her office by notice in writing to the Company; and/or
- 15.2.4.1.4 he or she absents himself or herself from meetings of Directors for 6 (six) consecutive months without the leave of the other Directors, and they resolve that his or her office shall be vacated, provided that the Directors shall have the power to grant any Director who is not resident in the Republic leave of absence for a definite or indefinite period.

- 15.2.5 Unless otherwise provided by the Company in general meeting no person shall be ineligible for the appointment or election as a Director or obliged to vacate office as a Director on account of his or her having reached a specified age, nor shall any special notice or any other special formality be required in connection with the appointment or election of any Director over a

specified age.

15.2.6 Employment of Directors in other capacities

A Director may be employed in any other capacity (except as an auditor of the Company) in the Company or as a director or employee of a company controlled by, or itself a subsidiary of the Company, in which event the appointment and remuneration of such Director in respect of such other office must be determined by a disinterested quorum of Directors.

15.2.7 Board's authority to fill a casual vacancy

15.2.7.1 The appointment of any person by the Board to fill a casual vacancy or as an addition to the Board must be confirmed by Shareholders at the next annual general meeting of the Company, failing which the appointed person must vacate his or her office.

15.2.8 Appointment of additional Directors to constitute prescribed minimum

Should the number of Directors fall below the minimum number provided for in article **Error! Reference source not found.**, the remaining Directors must as soon as possible and in any event not later than 3 (three) months from the date on which the number of Directors fall below the prescribed minimum, fill the vacancies or call a general meeting for the purpose of filling the vacancies. The failure by the Company to have the minimum number of Directors provided for in article **Error! Reference source not found.** of this MOI during the 3 (three) month period does not limit or negate the authority of the Board or invalidate anything done by the Board or the Company during such period. After the expiry of the 3 (three) month period, the remaining Directors shall only be permitted to act for the purpose of filling vacancies or calling general meetings of the Company.

15.3 No life Directorship and Directorships for indefinite periods

Life Directorship and Directorships for an indefinite period shall not be allowed in the Company.

15.4 Rotation of non-executive Directors

15.4.1 At the annual general meeting (provided that such meeting is not conducted in terms of section 60 of the Companies Act) held in each year 1/3 (one-third) of the non-executive 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) of the non-executive Directors, shall retire from office.

15.4.2 The non-executive Directors to retire in terms of article 14.4.1 shall be those who have been longest in office since their last election provided that –

15.4.2.1 if more than one of them were elected non-executive Directors on the same day, those to retire shall be determined by lot unless those non-executive Directors agree otherwise between themselves;

15.4.2.2 the length of time a non-executive Director has been in office shall be reckoned from the date of his or her last appointment as a non-executive Director, or the date upon which he or she was deemed re-appointed;

15.4.2.3 if a non-executive Director is required to retire at any general meeting, then he or she shall continue to be a non-executive Director until the election of Directors at that meeting is concluded; and

15.4.2.4 a retiring non-executive Director may be re-elected, provided that he or she is eligible for re-election, and the Board, through the nomination committee, should recommend eligibility, taking into account past performance and contribution made, provided that the re-election of any such non-executive Director may not be conducted in terms of section 60 of the Companies Act;

15.4.2.5 subject to article 14.4.2.4, the Company may at the general meeting at which a non-executive Director retires by rotation or otherwise, fill the vacated office by electing a person thereto and in default the retiring non-executive Director, if willing to continue to act, shall be deemed to have been re-elected until the dissolution of the annual general meeting in the next year, and so on from year to year until his or her place is filled, unless –

15.4.2.5.1 it is expressly resolved at such general meeting not to fill such vacated office; or

15.4.2.5.2 a resolution for the re-election of such non-executive Director shall have been put to the general meeting and rejected,

provided that the election of any such non-executive Director may not be conducted in terms of section 60 of the Companies Act.

15.4.3 If the Company in general meeting increases or reduces the number of Directors referred to in article 14.1, it may also determine in what rotation such increased or reduced number of Directors are to retire, subject to the foregoing.

15.4.4 A person appointed in terms of articles 14.2.7 and 14.2.8 shall –

15.4.4.1 retire at the following annual general meeting;

15.4.4.2 not be considered in determining the Directors to retire by rotation; and

15.4.4.3 be eligible for re-election.

15.4.5 Subject to the Companies Act, in the event that such Director is not re-elected at the annual general meeting, any acts performed by such Director shall not be invalidated merely due to such non re-election.

15.9 **Directors' expenses**

The Directors shall be paid all their travelling and other expenses properly and necessarily incurred by them in and about the Business of the Company and in attending meetings of the Board or committees thereof, and if any Director is required by the Company to perform any services in addition to his or her services as a Director, or to reside abroad, or shall be specifically occupied about the Company's Business, such Director shall be entitled to receive such remuneration as is determined by a disinterested quorum of Directors, which remuneration may be in addition to or in substitution for any other remuneration payable.

15.11 **Borrowing powers**

15.11.1 From time to time the Directors may borrow or raise for the purposes of the Company such sums as they deem fit.

15.11.2 The Directors may raise or secure the payment or repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit, whether by the creation and issue of debentures, mortgage or charge upon all or any of the property or assets of the Company, subject to article 3.2.4.

17. **Distributions to Shareholders**

17.1 **Payment policy**

17.1.1 Dividends shall be declared by directors in accordance with the Companies Act.

17.1.2 Dividends are to be payable to Shareholders registered as at a date subsequent to the date of declaration or date of confirmation of the dividend, whichever is the later.

17.1.3 Subject to the Listings Requirements, if as a result of the declaration of a dividend any Shareholders become entitled to fractions of any specific assets of the Company, the Directors shall round such fractions up or down, as the case may be, to the nearest full number of Securities to determine their participation in such dividend.

17.1.4 All dividends, interest or other moneys payable to the registered holder of Shares may be paid electronically or and such payment shall be a good discharge to the Company in respect thereof. For the purpose of this article, no notice of change of registered address or instructions as to payment being made at any other address which is received by the Company on or before last day to trade for the dividend or return of capital and which would have the effect of changing the currency in which such payment would be made, shall become effective until after such date of payment.

17.1.5 The Company shall not be responsible for the loss in transmission of any cheque, warrant or other document sent through the post either to the registered address of any Shareholder or to any other address requested by him or her.

17.2 **Payments to holders of Securities**

Payments to the holders of Securities must be made in accordance with the provisions of the Listings Requirements and capital shall not be repaid on the basis that it may be called up again."

ANNEXURE 9: SUBSIDIARIES

Set out below is a table which sets out the name, registration number and date and place of incorporation of each of the Subsidiaries (none of which is listed on the JSE), all of which are wholly owned by the Company. Each of the Subsidiaries is a property-owning entity.

Name of Subsidiary	Directors	Registration number	Date of incorporation	Length of time business has been carried on (years)	No. of issued shares
Clifton Dunes Investments 79	JT Loubser D Kohler	2004/013724/07	24/05/2004	17	100
Clifton Dunes Investments 10	JT (Anton) Loubser JT Loubser	2016/528781/07	17/04/2003	18	100
Thunder Cats Investments 78	JT (Anton) Loubser JT Loubser	2016/451023/07	12/03/2004	17	100
Investment Facility Company Three Three Six	D Kohler	1995/003396/07	19/04/1995	26	100
Lizalor Investments	JT (Anton) Loubser D Kohler	2016/447430/07	19/10/2009	12	100
Coral Lagoon Investments 163	JT (Anton) Loubser JT Loubser D Kohler	2006/005917/07	27/02/2006	15	100

- All Subsidiaries are incorporated in RSA.

.

ANNEXURE 10: CAPITAL STRUCTURE AND AUTHORISATIONS

1. CAPITAL STRUCTURE

Details relating to the capital structure of Afine are set out below.

1.1 Authorised and issued Shares

The authorised and issued Shares of the Company as at the Last Practical Date are set out in paragraph 5.1 of this Pre-listing Statement.

1.2 Rights attaching to Shares

Extracts of the Company's MOI relating to rights attaching to Shares are set out in **Annexure 8**.

1.3 Alterations to authorised Shares

The Company was incorporated with 100 000 000 authorised Shares, which number was increased to 1 000 000 000 Shares in accordance with a special resolution passed by shareholders on 12 April 2021.

The issued Share capital comprising 64 000 Shares at the time was sub-divided and increased on a 1 000 to 1 basis into 64 000 000 issued Shares in accordance with a special resolution passed by shareholders on 14 May 2021.

There has been no consolidation of Shares since the incorporation of the Company.

Other than as set out above, there have been no alterations to the authorised Shares of the Company for the period from the date of incorporation of the Company to the Last Practical Date.

1.4 Issues and repurchases of Shares

Other than the Founder Shares, there have been no issues, repurchases or offers of securities of the Company since the date of incorporation of the Company until the Last Practicable Date.

1.5 Debentures

No debentures have been created for the period from the date of incorporation of the Company to the Last Practical Date.

2. AUTHORISATIONS

The following resolutions were passed by Shareholders on the date on which such resolutions were taken:

- 2.1 the ordinary resolutions passed on 10 February 2021 and 23 February 2021 required for the issue of the Founder Shares;
- 2.2 the special resolution passed on 9 March 2021 required to change the name of the Company from "Domanolor Proprietary Limited" to "Afine Investments Proprietary Limited";
- 2.3 the special resolution passed on 12 April 2021 required to increase the authorised Shares from 100 000 000 no par value Shares to 1 000 000 000 no par value Shares;
- 2.4 the special resolution passed on 12 April 2021 required to convert the Company from a private company to a public company;
- 2.5 the special resolution passed on 14 May 2021 required for the sub-division and increase of the issued Shares on a 1 000 to 1 basis from 64 000 issued Shares into 64 000 000 issued;

- 2.6 the special resolution passed on 1 June 2021 required to approve the remuneration of non-executive Directors for the year ending 28 February 2022;
- 2.7 the ordinary resolution passed on 1 June 2021 required for the adoption of the Company's remuneration policy;
- 2.8 the ordinary resolutions passed on 1 June 2021 required for the appointment of the Directors and the members of the Audit and Risk Committee;
- 2.9 the special resolution passed on 8 October 2021 required for the adoption of the MOI;
- 2.10 the special resolution passed on 23 September 2021 required to grant a general authority to the Directors to allot and issue Shares for cash;
- 2.11 the special resolution passed on 23 September 2021 required to grant Directors the authority to issue Shares, securities convertible into Shares or rights that may exceed 30% of the voting power of the current issued share capital; and
- 2.12 the special resolution passed on 23 September 2021 required to grant Directors the general authority to provide financial assistance to related and inter-related companies and corporations in terms of section 45 of the Companies Act.

The special resolutions referred to above have all, where relevant, been filed and/or registered with CIPC.

3. STATEMENT AS TO LISTING ON STOCK EXCHANGE

The JSE has granted Afine approval for the Listing of 64 000 000 Shares on the AltX under ISIN: ZAE000303947. It is anticipated that the Listing will be effective as from the commencement of trade of the JSE on Thursday, 9 December 2021.

Afine is not listed on any other stock exchange.

ANNEXURE 11: CORPORATE GOVERNANCE STATEMENT

PART A: AFINE'S COMMITMENT

The Board, in its capacity as custodian of the Company's corporate governance, is committed to upholding, and endorses the application of, the principles of transparency, integrity and accountability as recommended in King IV. The Board is satisfied that the Company applies King IV in all material respects.

A full report is attached in Part B hereof which, to the best of the knowledge and belief of the Board, sets out the extent of Afine's current application of the principles of King IV and explains the non-application of certain of its principles and/or where principles are not fully applied.

The key principles underpinning the corporate governance of the Company and systems of control that form an integral part of corporate governance are set out hereunder:

1. Appointments to the Board

The Board has adopted a formal and transparent policy with regards to the procedures for the appointment of Directors. To this end, any new appointment of a Director is considered by the Board as a whole. The selection process in respect of new Directors will involve considering the existing balance of skills and experience of the Board, and a continual process of assessing the needs of the Company. The Board is responsible for ensuring that individual appointees and existing Directors are either free of any conflict of interest between the duties he/she owes to the Company and their private interest, or, in the event of any conflict of interest, that the same is managed appropriately. Any conflicts of interest are recorded by the company secretary.

Petroland's CEO and CFO will be seconded to provide services and duties to Afine as required by the Companies Act, the Listings Requirements and the Board. Such services will include the day-to-day management of the Company as well as the implementation of growth and forward-looking strategies.

The JSE has agreed to the part-time appointment of Anton Loubser and JT Loubser as the CEO and CFO, respectively, of Afine due to the current limited operational requirements of the Company, i.e., the Company's current portfolio of seven properties does not warrant the cost associated with the appointment of two full-time executives at present. However, the Board and the Audit and Risk Committee will assess the appointment of a full-time CEO and CFO, respectively, on an annual basis, and report on such assessment in the Company's annual report. As at the Last Practicable Date, the Board and the Audit and Risk Committee have assessed and have satisfied themselves as to the appointment of Anton Loubser and JT Loubser as CEO and CFO, respectively, on a part-time basis until such time as the operational capacity of the Company increases to such extent that would require these positions to be filled on a full-time basis.

Notwithstanding that the CEO and CFO are employed on a part-time basis and seconded to Afine in terms of the Petroland Administration Agreement, they take full fiduciary responsibility to act in good faith and in the best interest of the Company as if they were full-time Directors.

2. Balance of power and authority

There is a clear division of responsibilities and balance of power and authority at Board level to ensure that no one Director has unfettered powers of decision-making. The names and brief *curricula vitae* of the Directors are included in paragraph 2.1.1 of the Pre-listing Statement.

3. Board Committees

While the Board remains accountable and responsible for the performance and affairs of the Company, it delegates to management and Board committees' certain functions to assist it to properly discharge its duties.

3.1 **Audit and Risk Committee**

The Audit and Risk Committee comprises D Kohler (Chairman), PM Todd and MJ Watters. The Audit and Risk Committee will normally invite the Chief Executive Officer, the Chief Financial Officer and such other executive Directors or advisors of the Company to attend meetings and to make proposals as necessary and should invite the Chairman of the Board to all Audit and Risk Committee meetings.

The Audit and Risk Committee will meet at least twice a year and will be responsible for performing the functions required of it in terms of section 94(7) of the Companies Act and such other functions contemplated in its terms of reference.

The Board has established the Audit and Risk Committee to assist the Board in discharging its duties relating to the safeguarding of assets, the management of risk, the operation of adequate systems and control processes, and the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards. The Audit and Risk Committee does not perform any management functions or assume any management responsibilities. It provides a forum for analysing and discussing financial, accounting, audit, control and risk management issues and for developing relevant recommendations for consideration, approval and final decision by the Board.

As Afine is a newly incorporated company, only one meeting of the members of the Audit and Risk Committee has been held to confirm the appointment of the first auditor of the Company and to ensure compliance with the Listings Requirements. Further meetings will be convened once the Listing has been implemented.

PKF, the Company's auditors, has provided the Company with the information required in terms of paragraph 22.15(h) of the Listings Requirements in its assessment of the suitability for the appointment of PKF and the designated individual partner as the Company's auditors.

With regards to the responsibilities of the Audit and Risk Committee, these will include, *inter alia*:

- to ensure that the Company has established appropriate financial reporting procedures and that those procedures are operating, which include consideration of all entities included in the consolidated group IFRS financial statements, to ensure that it has access to all the financial information of the Company to allow the Company to effectively prepare and report on its financial statements; and
- to consider, on an annual basis, and to satisfy itself of the appropriateness of the expertise and experience of the Chief Financial Officer. Afine will confirm the same by reporting to Shareholders in its annual report that the Audit and Risk Committee has executed this responsibility. The Audit and Risk Committee has determined that it is satisfied with JT Loubser's current expertise, experience and performance as the Company's Chief Financial Officer.

3.2 **Social and Ethics Committee**

The Social and Ethics Committee comprises D Kohler (Chairman), JT (Anton) Loubser and JT Loubser. This committee will meet at least twice a year and will be responsible for performing the functions required of it in terms of the Companies Act and such other functions contemplated in its terms of reference.

The role of the Social and Ethics Committee will be, *inter alia*, 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, good corporate citizenship, the environment, health and public safety, consumer relationships, and labour and employment matters.

As Afine is a newly incorporated company, meetings of the members of the Social and Ethics Committee have not been held and meetings will be convened once the Listing has been implemented, at which meetings the members will, *inter alia*, consider and confirm whether this committee has fulfilled its mandate as prescribed by the Companies Regulations and the Companies Act. Such confirmation will be included in the Company's annual report of each year. As at the date of this Pre-listing Statement, there are no instances of material non-compliance to disclose.

3.3 **Remuneration Committee**

The Remuneration Committee comprises MJ Watters (Chairman), D Kohler and JT Loubser. The role of this committee will be, *inter alia*, to assess and recommend to the Board the remuneration and incentivisation of the Company's Directors. The Remuneration Committee will meet at least two times per financial year. *Ad hoc* meetings will be held to consider special business, as required. The Chief Executive Officer will attend meetings of this committee, or part thereof, if needed to contribute pertinent insights and information.

As Afine is a newly incorporated company, meetings of the members of the Remuneration Committee have not been held and meetings will be convened once the Listing has been implemented.

4. **Company secretary**

S Vosloo had originally been appointed as the company secretary of Afine with effect from 1 June 2021 in terms of the Petroland Administration Agreement. A separate agreement was subsequently entered into between S Vosloo and Afine directly which governs S Vosloo's appointment as Afine's company secretary, which agreement was effective from 1 October 2021.

The company secretary is responsible for the proper administration of the Board and the implementation of sound corporate governance procedures. The Board is satisfied that the company secretary is suitably qualified and experienced to carry out the duties as company secretary as stipulated under section 88 of the Companies Act. In making the aforementioned assessments, the Board considered the qualifications and experience of the company secretary. The Board has concluded that the company secretary maintains an arms-length relationship with the Company and its Board.

The Board will, on an annual basis, consider and satisfy itself as to the competence, qualifications and experience of the company secretary. The Company will confirm the same by reporting to shareholders in its annual report that the Board has executed this responsibility.

Full details of how Afine has applied the principles set out in King IV, as well as an explanation as to the extent of Afine's compliance with King IV which will enable Shareholders and investors to evaluate how these principles have been applied, will be included in its first annual report to be issued for the year ending 28 February 2022.

PART B: APPLICATION OF PRINCIPLES IN KING IV

Preamble

Afine is committed to the principles of transparency, integrity, fairness and accountability. As a recently incorporated company, Afine has a newly constituted Board and is in the process of assessing the application of the principles set out in King IV. Notwithstanding the aforementioned, Afine will strive to apply the principles set out in King IV in accordance with the content of the table below. The actual application of the principles will be determined at the end of the financial year ending 28 February 2022.

King IV Principles

In terms of the JSE Listings Requirements, all companies listing on the JSE must apply King IV to the appropriate degree. The Board will endeavour to comply with the relevant Principles set out in King IV where, in the view of the Board, they apply to the business. Where they do not apply, this will be noted appropriately. Principles embody the aspirations of the journey towards good corporate governance.

The 17 King IV Principles and the extent of the Company's compliance are set out in the table below:

Principle	Description	Compliance status	Extent of compliance
1	The Board as the governing body should lead ethically and effectively	Comply	<p>The Company is newly established and the Board has only recently been appointed. The Board has taken cognisance of the approach contained in both the Companies Act and King IV that the Company has a role to play in society and has an obligation to conduct itself as a responsible corporate citizen.</p> <p>The Company is committed to ethical behaviour throughout its business, adopting the principles of integrity, competence, responsibility, accountability, fairness and transparency in order to offer effective leadership that achieves the Company's strategic objectives and positive outcomes over time.</p> <p>The Board will ensure that the Company's leadership will operate in an ethical manner in accordance with a Code of Ethics for the Group.</p>
2	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Comply	<p>The Board supports the establishment of an ethical culture throughout the Group and the Directors recognise that they are ultimately responsible for the governance of ethics within the Company and for setting the direction for how ethics are approached and addressed.</p> <p>The Directors further recognise that it is their role to set the tone for an ethical organisational culture where the above characteristics are cultivated across the business and adopted by all employees. For this purpose, the Company has adopted a Code of Ethics that provides for arrangements that familiarise employees and other stakeholders with the Company's ethical standards to ensure that the Company maintains the highest ethical standard and complies with all applicable legislation, rules, and regulations.</p>
3	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	Comply	<p>The Board is recognised that the Company is an integral part of the communities in which it operates and is committed to building sound relationships, based on trust, honesty, and fairness.</p> <p>The Board sets the direction for good corporate citizenship, including compliance with the laws of South Africa, leading standards, its own policies and procedures, as well as congruence with the Company's purpose, strategy and conduct.</p>

Principle	Description	Compliance status	Extent of compliance
			<p>The Board furthermore oversees and monitors the Company's status as a good corporate citizen in such areas as the workplace, economic behaviours and results, societal and environmental short and long-term impacts.</p> <p>The concept of responsible corporate citizenship is integrated into the group strategy, and its principles underpin all key aspects of the business.</p>
4	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	Comply	The Board assumes responsibility for the Group's performance by steering the strategy and setting its core purpose and values. The formulation and development of the Group's strategy is delegated to management, but the strategy is constructively challenged by the Board with due reference to, <i>inter alia</i> , risks and opportunities, resources, the legitimate expectations of shareholders and the long-term sustainability of the organisation.
5	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short, medium and long-term prospects.	Comply	The Board takes responsibility for setting the direction, approach and conduct for the Company's reporting and approves the reporting frameworks to be used. It furthermore oversees compliance with legal reporting requirements and aims to ensure that reports meet the reasonable and legitimate needs of material stakeholders to enable them to make informed assessments of the Company's performance and its short, medium and long-term prospects.
6	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	Comply	<p>The Board exercises its leadership role by: steering the organisation and setting its strategic direction;</p> <ul style="list-style-type: none"> - approving policy and planning that gives effect to the direction provided; - overseeing and monitoring implementation and execution by management; and - ensuring accountability for organisational performance by means of, amongst others, reporting and disclosure.

7	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	Comply	<p>All Directors have the requisite skills and knowledge from diverse backgrounds. <i>Curriculum vitae</i> of the Directors are set out in paragraph 2.1.1 of the Pre-listing Statement.</p> <p>The Board comprises three non-executive Directors, two of whom are independent. There are two executive Directors, being the Chief Executive Officer and the Chief Financial Officer, ensuring multiple points of direct interaction with management.</p> <p>The lead independent non-executive Director leads the Board in the objective and effective discharge of its governance roles and responsibilities.</p> <p>The Board will at all times maintain an appropriate balance of power, skills and experience (including business, commercial and industry experience), diversity and independence to objectively and effectively discharge its governance role and responsibilities.</p> <p>The Company supports the principles of broader diversity, specifically focusing on the promotion of the diversity attributes of race, gender, culture, age, field of knowledge, skills and experience at Board level. No voluntary targets have yet been set; however, the Board is analysing and discussing such targets in line with the Company's adopted Diversity Policy.</p> <p>In terms of the Company's Diversity Policy, the Board has resolved:</p> <ul style="list-style-type: none"> - as stated above, not to set voluntary targets in respect of non-executive Directors, but rather to endeavour to use every reasonable opportunity that avails itself (usually as a result of a vacancy arising on the Board) to improve overall diversity of non-executive Directors. This process will focus on increasing representation of females, Black People and disabled people in respect of the appointment of non-executive Directors, but will also take into consideration culture (ethnicity), age, field of knowledge, skill and experience, with an ultimate goal of a broadly diversified base of non-executive Directors that best meets the needs and requirements of the Company and wider Group; and - in respect of executive Directors, to ensure that the Company and wider Group are working towards, using every available opportunity (usually when a vacancy arises) and making reasonable progress in respect of, achieving goals as agreed to by the Board in respect of the Company and Group's employment equity plans. In doing so, the Board will also ensure that attributes of culture (ethnicity), age, field of knowledge, skill and experience are taken into
---	--	--------	--

			<p>consideration when appointing executive Directors.</p> <p>The Company will report to shareholders in its annual report on how the board of directors or the nomination committee, as the case may be, has considered and applied the policy of broad diversity in the nomination and appointment of directors. The board will report on the progress of achieving the agreed voluntary targets.</p> <p><i>Nomination, election and appointment of Directors</i> Directors are appointed by the Board or at the Company's annual general meeting ("AGM"), with Board appointed Directors re-appointed by Shareholders at the Company's next AGM. The longest serving third of the Directors must be reappointed by Shareholders annually. Board appointments are conducted in a formal and transparent manner by the entire Board following recommendations made by the Remuneration Committee.</p> <p><i>Independence and conflicts</i> Directors are required to declare whether any of them has any conflict of interest in respect of any matter on the agenda of any meeting of the Board or Board committee. Conflicts of interest are managed as set out under Principle 1 above.</p>
8	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with balance of power and the effective discharge of its duties.	Comply	<p>The independent Directors have been appointed to ensure that a greater level of independence is maintained in all business matters of the Board.</p> <p>In addition, the role of the Chief Executive Officer and Chairman are separated to ensure a balance of power and effective discharge of duties.</p> <p>The Board has delegated particular roles and responsibilities to the committees set out above, each of which has the collective knowledge, skills, experience and capacity to execute its duties effectively. Such delegation is subject to formal terms of reference that are approved and renewed from time to time by the Board. The delegation by the Board of its responsibilities to any committee does not by or of itself constitute a discharge of the Board's accountability, and the Board will continue to apply its collective mind to the information, opinions, recommendations, reports and statements presented by any committee or director.</p>
9	The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual	Comply	The Board is responsible for evaluating its own performance, that of its committees, chair and individual members, and determines how such evaluation is to be approached and conducted in terms of a formal process undertaken at least every two years where performance is considered, reflected on and discussed so as to

	members, support continued improvement in its performance and effectiveness		ensure that performance and effectiveness is always improving.
10	The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Comply	<p>Service level agreements have been established for the executive Directors through the Service contract signed with Petroland. The contract sets out roles and responsibilities and the effective exercise of authority by each executive Director. The Board has furthermore satisfied itself that key management functions are led by competent and appropriately authorised individuals and are adequately resourced.</p> <p>The Board will in due course ensure that an adequate succession plan is developed and approved.</p> <p>The Chief Executive Officer is responsible for leading the implementation and execution of the Company's approved strategy, policy and operational planning, and serves as a link between management and the Board. The Chief Executive Officer is accountable and reports to the Board.</p> <p>The Board has access to professional and independent guidance on corporate governance and its legal duties, as well as support to coordinate the functioning of the Board and its committees. All Directors have access to the advice of the company secretary, who is not a member of the Board, and who provides guidance to the Board and to individual members regarding how to properly discharge their responsibilities. The Board has considered and endorsed the company secretary's ability to perform her duties, including her qualifications, experience, competence, effectiveness, and objectivity, and will continue to do so on an annual basis.</p> <p>The company secretary reports to management on all duties performed and administrative matters.</p> <p>The direction and parameters for the powers of the Board, and those delegated to management via the Chief Executive Officer, including a delegation of authority framework that contributes to role clarity and the effective exercise of authority and responsibilities, are set out in a Board charter. The Board is responsible for ensuring that key management functions are headed by an individual with the necessary competence and authority and adequately resourced.</p>
11	The governing body should govern risk in	Partially comply	The Company treats risk as integral to the way it makes decisions and executes its duties. The

	a way that supports the organisation in setting and achieving its strategic objectives.		<p>Company's risk governance encompasses both the opportunities and associated risks in developing strategy and the potential positive and negative effects of such risks on the achievement of its organisational objectives. While the Board exercises ongoing oversight of risk management, the Company's risk governance function is delegated to the Audit and Risk Committee in accordance with its the terms of reference, with the responsibility for implementing and executing effective risk management delegated to management.</p> <p>Due to the Company being recently incorporated, there has been no monitoring of risk management or establishing of risk tolerance levels as at the Last Practicable Date.</p>
12	The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	Do not comply yet as the Company is newly incorporated	<p>The Board will set the approach and approve the policy for technology and information governance, including adoption of appropriate frameworks and standards, but the implementation of effective IT governance will be delegated to management.</p> <p>The Board, together with the Audit and Risk Committee, oversees the governance of information technology. The Board is aware of the importance of technology and information in relation to the Group's strategy, and confirms that processes exist ensuring timely, relevant, accurate and accessible reporting, communication and data storage.</p>
13	The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	Comply	<p>The Company is governed by the Companies Act and upon listing, will be governed by the JSE Listings Requirements for the duration of its listing on the AltX.</p> <p>The Board undertakes to comply with any laws that the Company is required to comply with from time to time. Where the Company incurs material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, this will be disclosed to Shareholders.</p>
14	The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Comply	<p>The Company has a basic remuneration policy in place to ensure that management is appropriately remunerated and the Board has considered remuneration trends. The Board will continue to assess market trends in remuneration and adjust the Company's remuneration policy. The policy and the implementation thereof will be tabled for shareholder approval at annual general meetings of the Company to ensure further transparency.</p> <p>In the event that the remuneration policy and/or the implementation report is voted against by 25% or more of the votes exercised at the annual general meeting, the Company will engage with</p>

			Shareholders to ascertain the reasons for the dissenting votes and to appropriately address legitimate and reasonable objectives and/or concerns raised. The Company shall engage with key shareholders on an annual basis if required to do so and will promote meaningful and transparent dialogue with stakeholders, with a particular focus on Shareholders and investors, and make efforts to resolve concern raised by shareholders.
15	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	Comply	The Board will delegate to the Audit and Risk Committee oversight to ensure an effective internal control environment, integrity of information for management decision making and external reporting. The Board will furthermore ensure that a combined assurance model is applied that covers significant risks and material matters through a combination of the organisation's line functions, risk and compliance functions, external accountants as well as external auditors and other regulatory service providers and regulatory so as to enable it to assess the integrity of information and reports and form an opinion on the effectiveness of the control environment. The risk appetite of executive management, the Audit and Risk Committee and Board will determine areas of strategic and business focus, which in turn determines the level of assurance considered appropriate for identified business risks and exposures. To plan and coordinate assurance, the company has and will design and implement a combined assurance framework, incorporating a number of assurance services, to cover adequately its significant risks and material matters so that these enable an effective control environment, support the integrity of information used as well as the integrity of the group's external reporting.
16	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	Do not comply yet as the Company is newly incorporated	Whilst the effective management of stakeholder relationships will be delegated to management, the Board will ensure that a policy providing for the management of stakeholder relationships is adopted. The Company has a website where all financial reports, business updates and any other information will be made available to ensure that stakeholders are kept abreast with the Company's developments.
17	The governing body of an institutional investor organisation should ensure that responsible investment is	Not applicable	This principle applies to institutional investors only and therefore does not apply to the Company.

	practiced by the organisation to promote the good governance and the creation of value by the companies in which it invests.		
--	--	--	--

ANNEXURE 12: INFORMATION ON THE DIRECTORS, MANAGEMENT AND MATERIAL THIRD PARTIES

1. DIRECTORS' EMOLUMENTS

- 1.1 Directors' remuneration will be assessed by the Remuneration Committee and the Chief Financial Officer against national and industry norms and statistics. The remuneration mix of the executive management comprises guaranteed salaries payable to the Chief Executive Officer and the Chief Financial Officer in accordance with the Petroland Administration Agreement.
- 1.2 The Directors were not paid any fees from the date of incorporation of the Company to the Listing Date.
- 1.3 The emoluments of the Directors to be paid for the year ending 28 February 2022 (annualised and to be increased by 6% per annum thereafter, subject to approval by Shareholders at the Company's annual general meeting) are set out in the table below:

	Fees/salaries (R)	Total (R)
Non-executive directors		
MJ Watters	60 000	60 000
D Kohler	60 000	60 000
PM Todd	60 000	60 000
Executive directors		
JT (Anton) Loubser*	300 000	300 000
JT Loubser*	180 000	180 000
TOTAL	660 000	660 000

* Fees payable in accordance with the Petroland Administration Agreement.

- 1.4 As and when the Company reaches scale, the Directors' emoluments will be aligned with the prevailing best practice in the market. There are currently no bonuses, other material benefits or other performance payments envisaged.
- 1.5 Petroland's CEO and CFO will be seconded to provide services and duties to Afine as required by the Companies Act, the Listings Requirements and the Board, as governed by the Petroland Administration Agreement. Such services will include the day-to-day administration of the Company as well as the implementation of growth and forward-looking strategies.

The JSE has agreed to the part-time appointment of Anton Loubser and JT Loubser as the CEO and CFO, respectively, of Afine due to the current limited operational requirements of the Company, i.e., the Company's current portfolio of seven properties does not warrant the cost associated with the appointment of two full-time executives at present. However, the Board and the Audit and Risk Committee will assess the need for the appointment of a full-time CEO and CFO, respectively, on an annual basis, and report on such assessment in the Company's annual report. As at the Last Practicable Date, the Board and the Audit and Risk Committee have assessed and have satisfied themselves as to the appointment of Anton Loubser and JT Loubser as CEO and CFO, respectively, on a part-time basis until such time as the operational capacity of the Company increases to such extent that would require these positions to be filled on a full-time basis. Notwithstanding that the CEO and CFO are employed on a part-time basis and seconded to Afine in terms of the Petroland Administration Agreement, they take full fiduciary responsibility to act in good faith and in the best interest of the Company as if they were full-time Directors.

- 1.6 No management, consulting, technical or other fees have been paid for such services rendered, directly or indirectly, including payments to management companies, a part of which is then paid to a Director, during the period from the date of incorporation of the Company to the Last Practical Date.
- 1.7 No sums have been paid in respect of any expense allowances or under any pension scheme during the period from the date of incorporation of the Company to the Last Practical Date.
- 1.8 No sums have been paid in respect of any commissions, gain or profit-sharing arrangements.
- 1.9 The Company does not have a share option scheme in place.
- 1.10 No fees were paid or have been accrued as payable to a third party *in lieu* of Directors' fees.
- 1.11 The remuneration receivable the Directors will not be varied in consequence of the Listing.
- 1.12 Save as set out above, no other amounts are payable by Afine or its Subsidiaries in respect of Directors' and managerial remuneration, secretarial and technical fees and restraint payments.

2. BORROWING POWERS

- 2.1 The borrowing powers of the Company exercisable by the Directors are unlimited, but subject to the restrictions imposed on REITs in terms of the JSE Listings Requirements and the Income Tax Act. The borrowing powers of the Company may not be varied unless a special resolution has been passed by Shareholders with the support of 75% of voting rights exercised.
- 2.2 The borrowing powers have not been exceeded during the period from the date of incorporation of the Company to the Last Practical Date.
- 2.3 There is no exchange control or, save as set out above, other restriction on the borrowing powers of the Company. Further information relating to the borrowing powers of Directors is set out in **Annexure 8**.

3. INTERESTS OF DIRECTORS

- 3.1 Details of the Directors' attributable beneficial interests in Afine Shares as at the Last Practical Date are set out below.

Directors	Beneficially held		Total	%
	Directly	Indirectly		
JT (Anton) Loubser	-	-	-	-
JT Loubser	-	-	-	-
MJ Watters	-	-	-	-
D Kohler	-	-	-	-
PM Todd*	-	57 600 000	57 600 000	90%
Total	-	57 600 000	57 600 000	90%

* Held through KSP Offshore

There has been no change in the above interests occurring between the end of the Company's preceding financial year and the date of the Pre-listing Statement. No Shares have been offered as security, guarantee, collateral or otherwise.

- 3.2 Prior to their appointment to the Board of Afine and as part of putting the Afine group together ahead of the listing, MJ Watters, D Kohler, JT (Anton) Loubser and JT Loubser all had interests in the subsidiaries acquired by Afine. Subsequent to their appointment to the Board of Afine, none of the Directors hold any beneficial interest, whether direct or indirect, in relation to any property held by the Company or to be acquired by the Company including but not limited to where any Director has contracted to become a tenant of the property.
- 3.3 The Company has a right of first refusal on all new petrol filling station development projects in terms of the Petroland Administration Agreement, where JT (Anton) Loubser and JT Loubser are directors thus ensuring that the rights of Afine are placed ahead of the rights of Petroland. JT (Anton) Loubser and JT Loubser will be precluded from voting in relation to such projects in accordance with the Act as well as JSE Listings Requirements.
- 3.4 No amount has been paid, or is accrued as payable, within the date of incorporation of the Company to the Last Practical Date or is proposed to be paid to any promoter or to any partnership, syndicate or other association of which any promoter is or was a member and no other benefit has been given or is proposed to be given to such promoter, partnership, syndicate or other association within the said period.
- 3.5 Neither the Directors nor management of the Company have received any material beneficial interest, direct or indirect, in the promotion of the Company during the period from the date of incorporation of the Company to the date of this Pre-listing Statement. This includes a partnership, company, syndicate or other association.
- 3.6 No amount has been paid, or has been agreed to be paid, within the period from the date of incorporation of the Company to the date of this Pre-listing Statement, to any Director or manager of the Company or to any company in which such director or manager is beneficially interested, directly or indirectly, or of which he is a director ("**Associate Company**") or to any partnership, syndicate or other association of which he is a member ("**Associate Entity**"), in cash, securities or otherwise, by any person, either to induce him to become, or to qualify him as a director or manager or otherwise for services rendered by him or by the Associate Company or the associate entity in connection with the promotion or formation of the Company.

4. CONFLICT OF INTEREST

The Board is confident that, to the extent there are any conflicts of interest, these can be managed to ensure Shareholders are not prejudiced. The major potential conflict of interests as at the Last Practicable Date relate to the Petroland Administration Agreement and the PFS Vendor Agreements as JT (Anton) Loubser and JT Loubser had an interest in the contracts. In order to ensure that these agreements were concluded in the *bona fide* ordinary course of business, the common directors, being JT (Anton) Loubser and JT Loubser, of the Company and the respective PFS Vendors recused themselves from the decision-making process.

5. INTEREST IN MATERIAL TRANSACTIONS

Anton Loubser and JT Loubser, being directors of Petroland, had material interests in the PFS Vendor Agreements, as disclosed in note 2 of **Annexure 15**, and were only appointed as Directors pursuant to the acquisition of the PFS Subsidiaries.

MJ Watters held 100% of Katherine Street Properties, which previously held 50% of Investment Facility Company Three Three Six, and 25% of Clifton Dunes Investments 79, as disclosed in note 2 of **Annexure 15**.

The family trust of D Kohler, Lyndham Trust, previously held 50% of Investment Facility Company Three Three Six, 25% of Clifton Dunes Investments 79 and 50% of Lizalor Investments, as disclosed in note 2 of **Annexure 15**.

Other than as disclosed above, none of the Directors or officers of the Company, nor any person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the Shares, or any associate or affiliate of any of the persons or companies referred to above has or had within the three years before the date of the Pre-listing

Statement, any material interest, direct or indirect, in any transaction, or in any proposed transaction, that has materially affected or will materially affect the Company or a Subsidiary.

6. DIRECTORS' DECLARATIONS

Each Director and each director of the Major Subsidiaries has confirmed that he/she has not been involved in, and is not subject to, any:

- 6.1 bankruptcies, insolvencies or individual voluntary compromise arrangement;
- 6.2 business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company voluntary arrangements, or any compromise or arrangement with creditors generally or any class of creditors of any company where the Director is or was a Director with an executive function at the time of or within 12 months preceding such events;
- 6.3 compulsory liquidations, administrations, partnership voluntary arrangements of any partnership where the Director was a partner at the time of or within 12 months preceding such events;*
- 6.4 receiverships of any asset/s of such person or of a partnership of which the individual is or was a partner at the time of or within 12 months preceding such events;
- 6.5 public criticism by statutory or regulatory authorities or disqualified by a court from acting as a director or in the management or conduct of the affairs of any company;
- 6.6 offence involving dishonesty;
- 6.7 removal from an office of trust, on the grounds of misconduct, involving dishonesty; or
- 6.8 order granted by court declaring the person delinquent or placing the person under probation in terms of section 162 of the Companies Act and/or section 47 of the Close Corporations Act, 1984 (Act No.69 of 1984) or if the person was disqualified by a court to act as a director in terms of section 219 of the Companies Act.

* Peter Todd had resigned as a director from the UK registered company, Modus Corovest Blackpool Limited in December 2008, which company was placed in liquidation on 17 August 2009 as a result of its Irish bankers' refusal to convert its construction bond into a mortgage bond in light of the Irish banking crisis. No adverse finding was made.

ANNEXURE 13: SUMMARY OF LOAN ACCOUNTS, FUNDING AND FUNDING TERMS

Set out below is a summary of the inter-company, shareholder loan accounts and bank funding of Afine as at the Last Practicable Date:

Existing facilities:

Borrower	Lizalor Investments
Lender	Rand Merchant Bank Limited
Type	Term facility for 12 years, advanced on 1 February 2013 used to acquire the leasehold property and undertake improvement for Engen Platinum One Stop
Initial capital	R69 388 863.39
Balance outstanding at the Last Practicable Date	R39 489 995.86
Interest rate	Fixed interest rate at 10.254446%
Tenure	12 years
Repayment terms	Repayment of capital and interest in monthly instalments, which are currently R1 040 546.48 per month, with a final payment of R1 286 352.10 due on 2 January 2025.
Security	This facility is secured by a cession of rental receipts from Engen in favour of Rand Merchant Bank Limited.

Borrower	Coral Lagoon Investments
Lender	Investec Bank Limited
Type	Access facility, to be used for acquisitions and refurbishments in due course
Initial capital approved but not yet drawn down	R13 000 000
Balance outstanding at the Last Practicable Date	Nil
Interest rate	Prime Rate minus 50 basis points
Tenure	60 months from October 2021
Repayment terms	The Borrower shall pay instalments representing interest only monthly in arrears for 36 months. Thereafter, the Borrower shall repay the principal debt (including accrued interest) in instalments representing interest and capital monthly in arrears, amortising the facility to the residual, which is payable on expiry of the term of 60 months, being October 2026.
Security 1	New mortgage bond - Registration of a fourth covering mortgage bond by the Borrower over remaining extent of Erf 34 Riverside Park Ext 4 ("the Property") in favour of Investec Bank Limited for R3 900 000.

Security 2 Existing mortgage bond - First covering mortgage bond registered over the Property by the Borrower in favour of Investec Bank Limited for the amount of R8 500 000.

Security 3 Existing mortgage bond - Third covering mortgage bond registered over the Property by the Borrower in favour of Investec Bank Limited for the amount of R600 000.

Details of the terms of the KSP Offshore loan are set out below:

Borrower	Afine
Lender	KSP Offshore
Type	Fixed term shareholder loan to refund existing vendor loans
Initial capital	R41 618 465
Balance outstanding at 30 September 2021	R41 618 465
Interest rate	Jibar + 2,82% (currently 6.5%)
Tenure	36 months after the advance date, expected November 2024
Repayment terms	The Borrower shall pay interest only, monthly in arrears for the duration of the loan and the full capital on expiry of the term.
Security 1	Indirectly secured by a guarantee from Afine, issued to Investec Bank Mauritius.

There are no conversion or redemption rights attached to the above loans.

Inter-company balances

As at 31 August 2021, Afine had the following material inter-Company balances:

Lender	Borrower	Amount	Repayment terms	Security	Interest rate
Clifton Dunes 10	Afine	R3 847 771	Repayable on demand	Unsecured	4.03%
Clifton Dunes 79	Afine	R4 088 607	Repayable on demand	Unsecured	4.03%
Thunder Cats Investments	Afine	R2 171 988	Repayable on demand	Unsecured	4.03%
Lizalor Investments	Afine	R932 496	Repayable on demand	Unsecured	4.03%
Coral Lagoon Investments	Afine	R407 504	Repayable on demand	Unsecured	4.03%

Note 1

The subsidiaries had additional funds, which were advanced to Afine in order to secure a higher interest rate on an Investec Top 5 money market account. These will be eliminated by way of a dividend declaration by the subsidiaries which will be paid in November 2021.

ANNEXURE 14: SALIENT TERMS OF THE PETROLAND ADMINISTRATION AGREEMENT

A copy of the Petroland Administration Agreement, the salient terms of which are set out below, will be available for inspection on the Company's website at www.afineinvestments.com and at the Company's registered office and the office of the Designated Advisor during business hours from Thursday, 25 November 2021 up to and including Thursday, 9 December 2021:

- In terms of the Petroland Administration Agreement, which is subject to the successful listing of Afine on a relevant South African stock exchange ("**Suspensive Condition**"), Afine has appointed Petroland on an exclusive basis to provide property administration and related financial services in respect of all of the properties held by Afine ("**the Services**").
- This agreement shall take effect from the date of Listing and shall continue until either party gives to the other not less than six months written notice to terminate.

Fees, expenses and payment

- In consideration of Petroland performing the Services, Afine shall pay to Petroland an aggregate sum equivalent to:
 - (i) R7 000 per property per month;
 - (ii) R25 000 per month for the provision of a Chief Executive Officer ("**CEO**") (see below); and
 - (iii) R15 000 per month for the provision of a Chief Financial Officer ("**CFO**") (see below).
- The above fees will escalate at 6% per annum.
- The above shall be payable monthly in arrears on the date falling ten days after each month end.
- If any property has been acquired or disposed of during a monthly period, the fee payable in respect of such property shall be pro-rated accordingly.
- All amounts payable are (unless expressly stated otherwise) exclusive of any applicable VAT and any VAT chargeable on such amounts will be paid in addition to the amount in question.
- Petroland's direct expenses (e.g., travel costs and accommodation) to visit the properties will be re-imbursed on a direct cost to company basis. Such direct expenses will be budgeted for by Petroland on an annual basis.

Term and termination

- The Petroland Administration Agreement will commence once the Suspensive Condition referred to above has been fulfilled and shall continue until either party giving to the other not less than 6 (six) months written notice to terminate.
- Afine shall be entitled to terminate the Petroland Administration Agreement by notice in writing served on Petroland:
 - (i) in the event that Petroland fails, in the reasonable opinion of Afine, five times or more in any 12-month period (and such failures have been notified to Petroland in writing), to comply with its material obligations in terms of the Petroland Administration agreement whether or not such failures are remedied;
 - (ii) subject to the paragraph above, in the event Petroland fails to comply with its material obligations in terms of the Petroland Administration Agreement and fails to remedy such breach (to the reasonable satisfaction of Afine) within a period of 20 working days of notice from Afine requiring such remedy; and
 - (iii) if Petroland has a petition for liquidation.
- Petroland shall be entitled to terminate the Petroland Administration Agreement by notice in writing served on Afine:
 - (i) in the event Afine fails to comply with its material obligations in terms of the Petroland Administration Agreement and fails to remedy such breach within a period of 20 working days of notice from Petroland requiring such remedy; and
 - (ii) if Afine has a petition for liquidation.
- Afine shall be entitled and obliged to cancel the Petroland Administration Agreement at any time if a majority of independent shareholders of Afine present (in person or by proxy) and voting

at a general meeting of Afine approve such termination, provided that in such circumstances the Petroland Administration Agreement will (depending upon the terms of the shareholders resolution approving the cancellation) either:

- (ii) be cancelled on 6 months' written notice to Petroland; or
- (iii) be cancelled with immediate effect, subject to payment to Petroland of an amount equal to 6 months of fees, calculated with reference to the above paragraph "*Fees, expenses and payment*".

- "Independent shareholders of Afine", as referred to above, comprise all shareholders of Afine other than any parties or their associates who are a party to or who have an interest in the Petroland Administration Agreement.
- The general meeting to approve the termination of the Petroland Administration Agreement may be called by the directors of Afine or requisitioned by shareholders of Afine in terms of the MOI of Afine.

Financial and administrative duties

Petroland, to the best of its abilities and in accordance with good industry practice and all applicable laws shall perform the following duties for the Group:

Duties

- *Accounting and tax*
Petroland shall prepare or procure the completion of all management and statutory accounts as required by the Board and as required by regulatory authorities in each jurisdiction in which the Group operates. Petroland shall complete or procure the completion of all statutory tax returns required in each jurisdiction that the Group operates.
- *Audit*
Petroland shall liaise with the Group's auditors to ensure compliance with all relevant codes and ensure the annual report and half-yearly financial report are duly signed off by the Group's auditors.
- *Annual report*
Petroland shall help with the preparation and publication of the Group's annual report and half-yearly financial report.
- *Company secretarial duties*
Petroland shall provide or procure company secretarial services for the Group as requested.
- *Human resources and payroll services*
Petroland shall provide human resource and payroll services for the Group and if required.
- *Information technology*
Petroland shall procure or provide all information technology services for the Group.
- *Treasury services*
Petroland shall provide banking and investment of surplus cash plus forex dealings in consultation with the Board which will define the services required.
- *Corporate governance*
Petroland in association with the Board shall provide input and guidance to the Group on the implementation of best practice corporate governance policies.

Property management services

Petroland to the best of its abilities and in accordance with good industry practice and all applicable laws, will perform the following services on behalf of the Group:

- *General management*
 - To provide to the Group all necessary information in relation to the collection of the rent, service charges, reimbursement of sums paid in relation to insurance and VAT and all other monies due from tenants under the terms of the leases.
 - Generally, to manage or procure the management of the properties with due diligence and to deal with any complaints and comply with all reasonable instructions of the Group.
 - Petroland shall have no authority, unless previously authorised by the Board, to:
 - (i) commit the Group to any unusual or long term or onerous contract;
 - (ii) extend the nature or scope of the activities of the business of the Group;
 - (iii) purchase or sell off any fixed assets of the Group; or
 - (iv) borrow money or give any warranties on behalf of the Group or grant leases of any property.
- *Monitoring*
 - To monitor the performance of external companies and persons appointed by the Board and use all reasonable endeavours to procure the performance by such persons and companies of their obligations under such appointments.
 - To maintain proper and adequate records on all property management matters and to provide the Group with such information as the Group may reasonably require.
 - To supply to the Group copies of all contracts and agreements entered into by Petroland in connection with the management of the properties pursuant to the Petroland Administration Agreement.
- *To collect or procure collection of rent*
 - To collect or procure collection of rent, service charges, reimbursement of sums paid in relation to insurance and VAT and all other sums due from tenants under the terms of the leases.
 - To promptly demand and direct all tenants of the properties to pay all accounts of rental income into the Group's appropriate bank account.
 - To pay all monies it receives in respect of rental income and service charge income if applicable upon receipt into the Group's appropriate bank account.
- *Banking Arrangements*

To provide quarterly summaries of the sums remitted to the Group's bank accounts.
- *Service charge collection: Where the lease relating to any property include service charge obligations:*

To prepare annual budgets of expenditure (including service charges) on an annual basis for each property and to carry out all service charge apportionments and to answer any enquiries from the Group's auditors relating to such budgets.
- *VAT and taxation*
 - Subject to the terms of the Facility Agreements, to keep a record of all VAT received in respect of supplies made by the Group in separate VAT designated accounts in respect of each property or associate.
 - To supply all relevant information to allow the Group's accountants to deal with all the VAT and other relevant tax related matters in relation to the Group in accordance with the directions from time to time of the Group including (without limitation):
 - (i) preparing or procuring the preparation of all necessary forms to register the Group for Value Added Tax;
 - (ii) dealing with all correspondence, disputes or negotiations with SARS and/or any other appropriate authority; and
 - (iii) preparing or procuring the preparation of all necessary VAT returns and arranging for the submission of such VAT returns to SARS and/or any other appropriate authority.

- *Arrears' procedures*
 - To liaise at all times with the Group and their attorneys in order to effect recovery in the event of non or late payment of rent or other charges due to the Group.
 - To operate a credit control system in respect of any arrears of rent, service charges or other payments due from individual tenants and implement in such manner as Petroland may consider it appropriate in accordance with the principles of good estate management.
 - To liaise with the Group and provide an arrears schedule and monitor progress towards collecting monies due to the Group.
 - Where rent deposits are held in respect of any tenancy to draw down in the name of the Group any arrears due and liaise with the tenants to replenish the deposit account in accordance with the terms of the relevant rent deposit agreement and the Group hereby authorises Petroland to draw down such monies pursuant to the provisions of this clause.

- *Outgoings/invoices*
To authorise payment by the Group of all outgoing in respect of the Group's obligations as landlords and payments to suppliers, staff, contractors, statutory authorities, professional advisers, insurers and others as may be appropriate.

- *Reserve funds administration*
 - In properties where the leases so permit, to advise the Group generally on any existing or proposed reserve fund and administration of such fund and to ensure that all such funds are held in separate accounts in the name of the Group. Petroland will assess or procure the assessment by other specialists at the Group's expense of current day replacement costs of any relevant plant and equipment the subject of the relevant reserve fund and calculate and collect contributions from tenants.
 - To advise the Group of when it is appropriate to draw down funds on the relevant reserve fund to replace major items of plant and equipment.

- *Statements and reports*
 - To provide statements of all income and expenditure summarising all accounting transactions for the period under review together with a reconciliation of monies held to the Group's account.
 - On a basis to be agreed and if requested to provide projected cashflow forecasts over a twelve-month period summarised for the portfolio as a whole and detailed by property/tenancy.
 - To provide separate statements of the monies held in the sinking fund or funds (if established pursuant to terms of the lease(s)) in connection with each property.

- *General monitoring and inspection*
 - To make as many regular visits as is necessary to ensure proper day to day running and to inspect the general condition of the properties.
 - To inspect any property, as soon as is reasonably practicable, after the termination of any lease relating to such property and to promptly provide the Group with a complete record of the condition of a property relating to such property.

- *Landlord's/the Group's repairs*
 - To arrange and where practicable to obtain competitive estimates for repairs and redecoration where such is the Group's responsibility under any lease with reference to be made to the Group unless such repairs are:
 - (i) estimated to cost not more than R100 000 excluding VAT or such greater sum as may be agreed pursuant to any budget of the Group; or
 - (ii) are of an emergency nature and it is not possible to obtain immediate instructions from the Group.
 - Where any work required by any superior lessor, local or statutory authority is merely of a management nature to arrange for and supervise such work:
 - (i) to notify the Group of any head rents due; and
 - (ii) notify the Group of all other disbursements and outgoing including rates supply and service accounts and insurance premiums which are the responsibility of the Group.
 - To make payments where appropriate to contractors.

- To prepare planned maintenance requirement schedules and budgeting requirements for such maintenance requirements (which, where possible, shall be included in the relevant service charges of the relevant property) for each property and to administer the completion of such maintenance requirements and report on any anticipated irrecoverable costs relating to the same.
- To put in hand and arrange payment for works of maintenance or repair of a day-to-day nature being matters within the Group's responsibility.
- *Administration of utility services*
 - Where necessary to arrange supply of necessary utilities for the operation of the Group and its subsidiaries.
 - To arrange for the transfer, connection or disconnection of electricity gas and water supplies as appropriate.
 - Where necessary to arrange the appropriate testing and inspection of mechanical and electrical installations as appropriate.
- *Tenant liaison*
 - To liaise with the Group on all tenants in arrears with their rent or ancillary payments.
 - To attend to normal routine management enquiries from the tenants and to monitor whether they comply with their lease obligations.
 - To liaise with the tenants to ensure the proper use of the property and general compliance with tenant's obligations.
 - To receive and consider any queries or complaints and where necessary take the Group's reasonable instructions and act accordingly.
 - To receive applications from tenants for minor works or alterations that do not in the opinion of Petroland require consideration by other technical or expert disciplines to consider such applications and recommend an appropriate course of action to the Group and process such matters through to completion.
 - To receive applications from tenants for landlord's consent to assign, sublet or other matters requiring consent under the terms of the relevant lease and to advise the Group concerning such applications and subject to the terms of the facility agreements agree upon an appropriate course of action.
- *The Group's leasehold Interest*
To generally advise the Group from time to time of its responsibilities under its leases in consultation with the Group's attorneys if appropriate.
- *Report to the Group*
Where applicable to provide various reports on the properties on a regular basis (bi-annually).
- *Property insurance*
 - To liaise with the Group and the appointed insurance brokers to arrange for all customary insurances in respect of fire and the usual range of perils and loss of rent in connection with the properties to be taken out in accordance of the terms of the relevant leases of the properties and to advise as to the appropriate sums to be insured from time to time.
 - If requested by any member of the Group to, but in any event at least every three years (with annual indexed updates to allow for inflation), arrange valuations to determine the reinstatement value of each property and to advise the appointed insurance brokers of this together with all changes to the reinstatement value.
 - If requested by the Group and in a manner acceptable to them and the appointed insurance brokers to deal with all insurance claims except those requiring in the reasonable opinion of the Group the services of independent architects and/or quantity surveyors and loss adjusters for a fee to be agreed with the insurers.
 - To administer the properties insurance and all other landlord's insurances in accordance with the terms of the leases and ensure that the tenants have fulfilled their insuring obligations.
 - To approve all invoices rendered by the appointed insurance brokers.
 - To arrange to place and effect cover for material damage engineering and mechanical third party and public liability risks.

- To negotiate where appropriate special facilities under the insurance package to provide additional protection to the property owner and process all matters with the underwriters and collect premiums based on lease provisions.
- Where tenants insure by virtue of lease agreements to consider and approve all details of tenants' insurance policy including insured amount, identity of insurers, terms of policy, insurance conditions, evidence of the noting of the Group's interest on the policy or the naming of the Group as joint insured (to the extent required under the relevant lease agreements) and details of any subsequent tenant's reinstatement works following damage by any of the insured risks.
- *Breaches of obligations*
To advise the Group of material breaches of tenants' covenants of which Petroland is aware where acceptance of rent would or might condone the breach.
- *Notices*
 - To keep records for landlord and tenant purposes and to notify the Group of forthcoming rent review and lease expiration dates.
 - To ensure that statutory requirements which are notified are fulfilled by or on behalf of the Group as the Landlord or by the Tenant as appropriate.
 - To ensure all necessary notices are served to activate rental reviews and if so instructed, negotiate a settlement.
 - To ensure any necessary notices are served in order to terminate leases at the expiry date unless instructions to the contrary are given.
- *Group's facility agreements and finance documents*
Subject to notification of the same, to comply at all times with all relevant terms and conditions of facility agreements and finance documents from time to time entered into by the Group insofar as the same relate to the management of the properties and, where necessary, communicate any issues to the Company and/or assist in resolving any issues with the relevant debt provider.
- *Rent reviews*
To negotiate, conduct and implement rent reviews as appropriate.
- *Rating*
To advise on any assessment for municipal rates and taxes required on behalf of the Group or appoint specialists to do so.
- *Planning*
To advise on planning matters or appoint specialists to do so.
- *Surrenders*
To assess and negotiate lease surrenders or appoint specialist to do so.
- *Lease renewals and re-lettings*
To negotiate tenancies and the letting of any vacant property and the renewal of any tenancies where authorised by the Board.
- *Additional services*
Where appropriate:
 - to arrange the valuations of any property for sale or purchase; and
 - to attend at Courts or other Tribunals.
- *Additional Accounts*
To provide such additional accounts and other information in relation to the properties as may be required in connection with any valuation of the properties insofar as such information is in the possession or under the control of Petroland.
- *Records*
 - To prepare and maintain, in accordance with the best practices of property management and all applicable laws, all necessary property management records.

- To maintain all accounting records in accordance with generally accepted accounting principles in South Africa and the best practices of property management.

Provision of CEO and CFO

Petroland's CEO and CFO will be seconded in terms of the Petroland Administration Agreement to provide services and duties to Afine as required by the Companies Act, the Listings Requirements and the Board. Such services will include the day-to-day management of the Company as well as the implementation of growth and forward-looking strategies.

The JSE has agreed to the part-time appointment of Anton Loubser and JT Loubser as the CEO and CFO, respectively, of Afine due to the current limited operational requirements of the Company, i.e., the Company's current portfolio of seven properties does not warrant the cost associated with the appointment of two full-time executives at present. However, the Board and the Audit and Risk Committee will assess the appointment of a full-time CEO and CFO, respectively, on an annual basis, and report on such assessment in the Company's annual report. As at the Last Practicable Date, the Board and the Audit and Risk Committee have assessed and have satisfied themselves as to the appointment of Anton Loubser and JT Loubser as CEO and CFO, respectively, on a part-time basis until such time as the operational capacity of the Company increases to such extent that would require these positions to be filled on a full-time basis. Notwithstanding that the CEO and CFO are employed on a part-time basis and seconded to Afine in terms of the Petroland Administration Agreement, they take full fiduciary responsibility to act in good faith and in the best interest of the Company as if they were full-time Directors.

Investment policy

- The Group's investment policy will be to provide investors with strong investment returns and a balanced exposure to lower risk, income generating petrol filling stations in South Africa, and limited development opportunities that will provide a higher capital return.
- In implementing its investment policy, the Group will contemplate available opportunities and future undertakings that will yield satisfactory returns at acceptable risk levels. The Group will focus on petrol filling station property investments which provide a stable, predictable and low risk income stream, with opportunities to enhance value through active management.
- The Group will also selectively pursue development or redevelopment opportunities where they can be substantially pre-let to businesses with strong rental covenants or, in order to protect, enhance or extract additional value from existing investments.
- The Group will make investments in petrol filling station property via a number of methods which include:
 - acquisition of the real estate assets or portfolio of assets;
 - direct investment in or acquisition of the holding company of the real estate asset or portfolio of assets; and
 - direct investment in or acquisition of a joint venture vehicle which has a direct investment in or holds the real estate assets or the holding company of the real estate asset or portfolio of assets.

Gearing

- The level of gearing of the Group will be governed by careful consideration of the cost of borrowing and the ability to mitigate the risk of interest rate increases and the effect of leverage on the returns generated from assets acquired. The Directors intend that the Group's level of borrowing will be between 20% and 35% of the gross value of its total assets through the cycle. The Group's maximum level of gearing will not exceed 40% of the gross value of the Group's total assets at any point in time.
- The Board may exercise all the powers of the Group to borrow money, to give guarantees, to mortgage, hypothecate, pledge or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Group and, subject to the provisions of the Companies Act and the MOI, to create and issue debenture and other loan stock and debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Group or of any third party provided that the Group shall restrict the borrowings of the Group so as to secure that the aggregate principal amount for the time being of all borrowings by the Group and for the time being owing to persons outside the Group shall not at any time, without the previous sanction of an ordinary resolution of the Group exceed two times the aggregate of:

- the amount paid up on the issued share capital for the time being of the Company; and
- the total of capital and revenue reserves (including any share premium account, capital redemption reserve, all as shown in the latest balance sheet of the Company).

Investment restrictions

- The Group will not invest in forward funding a development on land in which the Group does not have an interest without a pre-let agreement to lease.
- The Group will not invest in properties where the purchase price is not supported by an external valuation.
- The Group will not invest in properties where there are known to be material environmental issues.
- The Group will typically invest in properties in South Africa with fully repairing and insuring leases.
- In addition, pursuant to the Listing Rules of any relevant stock exchange, the Group is subject to the following investment restrictions:
 - the Group must at all times manage its assets in a way which is consistent with its object of limiting investment risk and is in accordance with the Company's published investment policy.
 - the Group and other members of the Group must not conduct any trading activity which is significant in the context of the Group as a whole.

Investment process

- The Directors set the investment policy (subject to Shareholder approval), parameters and objectives and review and approve each sale or purchase of investment assets.
- The Directors are responsible for identifying the availability of new investment opportunities that fall within the investment policy and objectives. Following the identification of a potential new investment opportunity and approval by the Group's Investment Committee, the CEO will be responsible for negotiating the terms of investment.
- It is anticipated that all associated costs and expenses incurred by the Group when acquiring or disposing of properties, property portfolios or special purpose property vehicles will be paid for and capitalised by the Group in order to determine the total cost.

Changes to the investment policy

- The Group will apply its investment policy to all investments made and held by it. Any material changes to the investment policy of the Group will only be made with the approval of Shareholders by ordinary resolution at a general meeting, which will also be notified via an appropriate stock exchange regulatory information service.
- If the Group breaches its investment policy (including any investment restrictions), the Group will make a notification via a regulatory information service provider to the appropriate Stock Exchange of details of the breach and of actions it may or may have taken.

ANNEXURE 15: SALIENT TERMS OF MATERIAL CONTRACTS

In addition to the Petroland Administration Agreement, the salient terms of which is set out in **Annexure 14**, copies of the following Material Contracts, the salient terms of which are set out below, will be available for inspection on the Company's website at www.afineinvestments.com and at the Company's registered office and the office of the Designated Advisor during business hours from Thursday, 25 November 2021 up to and including Thursday, 9 December 2021:

1. PFS Vendor Agreements

The Company entered into the following agreements with the PFS Vendors, all of which were related parties (as noted), the salient terms of which are set out below:

Subsidiary acquired	Date of transaction	Nature of transaction and security	Total cash consideration paid by Afine	Value at date of acquisition	Market value of property (refer Annexure 16)
Clifton Dunes Investments 10	2021/02/28	Acquisition by Afine of 100% of the shares in Clifton Dunes Investments 10 from Petroland. The property is secured in favour of Investec Bank Limited as detailed in Annexure 13 .	R1 898 037.59	R1 929 137	R46 400 000
Clifton Dunes Investments 79	2021/02/28	Acquisition by Afine of 100% of the shares in Clifton Dunes Investments 79 from: - Petroland (50% for R839 484.30); - Lyndham Trust (25% for R419 742.15); and - Katherine Street Properties (25% for 419 742.15) The property is secured in favour of Investec Bank Limited as detailed in Annexure 13 .	R1 678 968.60	R1 689 867	R44 300 000
Thunder Cats Investments	2021/02/28	Acquisition by Afine of 100% of the shares in Thunder Cats Investments from Petroland The property is not ceded or pledged.	R1 878 860.88	R1 878 962	R23 100 000
Investment Facility Company Three Three Six	2021/02/28	Acquisition by Afine of 100% of the shares in Investment Facility Company Three Three Six from: - Lyndham Trust (50% for R85 000); and	R170 000	R2 883 905	Sasol Parkdene at R9 900 000 and Sasol Protea Park

Subsidiary acquired	Date of transaction	Nature of transaction and security	Total cash consideration paid by Afine	Value at date of acquisition	Market value of property (refer Annexure 16)
		- Katherine Street Properties (50% for R85 000) The property is not ceded or pledged.			at R19 100 000, totalling R30 000 000
Lizalor Investments	- 2021/02/28 - 2021/03/01	Acquisition by Afine of 100% of the shares in Lizalor Investments from: - Lyndham Trust (50% for R17 189 687.39); and - Petroland (50% for R17 189 687.39) The development rental has been ceded to Rand Merchant Bank Limited for the loan as detailed in Annexure 13	R34 379 374.6 0	R34 379 375	R116 500 000
Coral Lagoon Investments	2021/03/01	Acquisition by Afine of 100% of the shares in Coral Lagoon Investments from Petroland. The property is secured in favour of Investec Bank Limited as detailed in Annexure 1	R7 001 513.73	R7 001 514	R48 000 000
Total			R47 006 757	R49 762 760	R307 300 000

- Petroland is 100% owned by the Anton Loubser Trust, the beneficiaries of which are JT (Anton) Loubser and his immediate family. Both Anton Loubser and JT Loubser are directors of Petroland.
- The beneficiaries of the Lyndham Trust are D Kohler and his immediate family.
- Katherine Street Properties was 100% owned by MJ Watters, who is also the only director of this company.
- All the above acquired assets have been transferred into the name of Afine either during the period ended 28 February 2021 or with effect from 1 March 2021.
- The acquisitions were financed in cash or by way of related party loans, which have been replaced by the secured shareholder loan from KSP Offshore during November 2021, as detailed in **Annexure 13**.
- The above acquisitions were all subject to normal warranties that are customary for transactions of this nature.
- None of the PFS Vendor Agreements contained any restraint of trade provisions.
- The value at date of acquisition represented the directors' valuation of the individual properties at that date prior to any refurbishment or signing of new long-term leases and the increase in value above the total cash consideration was attributed to Property. All of the above properties were revalued subsequent to the date of acquisition due to Afine refurbishing or undertaking to refurbish the petrol stations and subsequently negotiating new long-term leases with the lessors, which substantially improved the valuation of the properties, where previously the underlying leases were coming to the end of the term. Details of the bargain purchase at the date of acquisition are set out in the notes to the financial statements contained in **Annexure 3** to this Prelisting Statement.
- The liability for any accrued taxation will remain with the underlying entity.
- None of the above underlying properties were acquired within the three years prior to the acquisition by Afine. JT (Anton) Loubser, JT Loubser, D Kohler and MJ Watters previously had an interest in the various subsidiaries acquired by Afine ahead of this listing as disclosed in the above table, which consideration has been settled in cash. No securities have been issued to the PFS Vendors, including Petroland. No other directors had an interest in the subsidiaries acquired during the past two years.

- None of the PFS Vendors have guaranteed any of the debts or assets of Afine or its subsidiaries.

2. Lease Agreements

Details of the various lease agreements per petrol station site are set out below, noting that the rental is entered into per site as opposed to Gross Lettable Area.

- 2.1 Lease agreement entered into between Clifton Dunes Investments 10 (“**Lessor**”) and Sasol Oil Proprietary Limited (“**Lessee**”) dated 26 March 2021 in terms of which the Lessor has agreed to let the premises referred to below, together with the improvements thereon, to the Lessee on the following terms:

Site name Site description Property information Average annualised property yield	Sasol Piet Retief Sasol Service Station property with a Spur Restaurant in Piet Retief, Mpumalanga Erf 1, Thandekile Township, Mpumalanga 11.4%		
Oilco base rental	Rental description Term Start date End date Rental (excl. VAT) Annual escalation Escalation date		
	Land rental 9 years, 2 months 2020/11/01 2029/12/31 R307 758 6% 01-Jan		
Oilco revamp rental	Rental (excl. VAT) Rental escalation Start date End date		
	R47 960 0,00% 2020/01/01 2025/12/31		
ATM rental	ATM lessee Term Start date End date		
	ABSA 3 years 2020/11/01 2023/10/31	First National Bank 3 years 2020/11/01 2023/10/31	Standard Bank 3 years 2020/11/01 2023/10/31

Rental (excl. VAT)	R3 000	R3 500	R3 500
Annual escalation	n/a as at 2021/04/24	6%	5%
Escalation Date	01-Nov	01-Nov	01-Nov

Spur rental	
Term	9 year and 9 months
Start date	2021/12/31
End date	2029/06/30
Renewal option period	5 years: 2029/07/01 - 2034/06/30
Annual escalation	8% from year 2
Escalation date	01-May
Rental (excl. VAT)	As below:
- Year 1	- R34 783,00
- Year 2 – 9	- R37 565,64

2.2 Lease agreement entered into between Clifton Dunes Investments 79 ("**Lessor**") and Sasol Oil Proprietary Limited ("**Lessee**") dated 26 March 2021 in terms of which the Lessor has agreed to let the premises referred to below, together with the improvements thereon, to the Lessee on the following terms:

Site name	Sasol Somerset West
Site description	Sasol Service Station property in Somerset West, Western Cape
Property information	Erven 15848 and 15851, Somerset West, Western Cape
Average annualised property yield	13.6%
Oilco base rental	
Rental description	Land rental
Term	9 years, 2 months
Start date	2020/11/01
End date	2029/12/31
Rental (excl. VAT)	R352 201
Annual escalation	6%
Escalation date	01-Jan

Oilco revamp rental	
Rental (excl. VAT)	R55 367
Rental escalation	0,00%
Start date	2020/01/01
End date	2025/12/31
ATM rental	
ATM lessee	ABSA
Term	3 years
Start date	2020/11/01
End date	2023/10/31
Rental (excl. VAT)	R3 000
Annual escalation	n/a as at 2021/04/24
Escalation date	01-Nov

2.3 Lease agreement entered into between Thunder Cats Investments (“**Lessor**”) and Sasol Oil Proprietary Limited (“**Lessee**”) dated 26 March 2021 in terms of which the Lessor has agreed to let the premises referred to below, together with the improvements thereon, to the Lessee on the following terms:

Site name	Sasol Grassnyers
Site description	Sasol Service Station property in the CBD of Witbank, Mpumalanga
Property information	Erf 2490, Witbank, Ext 13 Township, Mpumalanga
Average annualised property yield	13.8%
Oilco base rental	
Rental description	Land rental
Term	9 years, 2 months
Start date	2020/11/01
End date	2029/12/31
Rental (excl. VAT)	R186 975
Annual escalation	6%

Escalation Date	01-Jan
Oilco revamp rental	
Rental ex VAT	R27 829
Rental escalation	0,00%
Start date	2020/01/01
End date	2025/12/31

2.4 Lease agreements for the land and property were originally entered into between McBeal Property Development Proprietary Limited ("**McBeal**") and Sasol Oil Proprietary Limited ("**Lessee**") dated 11 November 2003 and addendum thereto dated 24 March 2004 (in respect of the Parkdene property) and 30 April 2002 and addendum thereto dated 23 March 2005 (in respect of the Protea Park property) in terms of which McBeal had agreed to let the premises referred to below to the Lessee on the terms set out below. McBeal subsequently transferred the properties to Investment Facility Company Three Three Six which assumed the rights and obligations of McBeal in terms of those lease agreements:

Site Name	Parkdene		Protea Park	
Site Description	Sasol Service Station located on the R21, Boksburg		Sasol Service Station located on the cnr of Thabo Mbeki & Boven Str	
Property information	ERF 654, Parkdene Ext 3 (Boksburg)		ERF 1439, Protea Park Ext 1 (Rustenburg)	
Average annualised property yield	1.2%		1.3%	
Oilco base rental				
Rental description	Initial rental Period	Second rental period	Initial rental Period	Second rental period
Term	10 years	15 Years	10 years	15 years
Start date	1/10/2002	30/09/2012	1/03/2004	28/02/2014
End date	1/10/2012	30/09/2027	1/03/2014	28/02/2029
Rental (excl. VAT)	R80 555	R10 000	R47 718	R20 000
Annual escalation	0%	0%	0%	0%
Escalation date	N/A	N/A	N/A	1/03/2029

2.5 Agreement entered into between Lizalor Investments (“**Lessor**”) and Engen Petroleum Limited (“**Lessee**”) dated 29 June 2012 in terms of which, *inter alia*, the Lessor has agreed to let the premises referred to below, together with the improvements thereon, to the Lessee on the following terms:

Site name Site Description Property information Average annualised property yield	Engen Platinum One Stop Engen Platinum One Stop property in Doornpoort, Pretoria, Gauteng Farm 150 and 151, Doornpoort, Pretoria, Gauteng 8.8%	
Oilco base rental		
Rental description	Land rental	Development rental (for development of the top structure)
Term	30 Years	15 Years
Start date	2013/03/01	2013/02/28
End date	2043/02/28	2028/02/28
Rental (excl. VAT)	R40 000	R590 000
Annual escalation	7%	7%
Escalation date	01-Mar	01-Mar
Oilco variable rental		
Rental Description	Volumetric rental	
Term	30 years	
Start Date	2013/03/01	
End Date	2043/02/28	
Variable percentage of RAS	18,484%	
Additional excess volume rental	n/a	
Base Rate	(Wholesale Margin + RAS OilCo CAPEX excl. EC + 18.484% of RAS EC + RAS OilCo Opex) x Escalation	
Annual escalation	7%	
Escalation Date	01-Dec	

Platinum One Stop is located within the National Road reserve. Only SANRAL can own the property in the National Road reserve. In terms of the National Roads Act (Act No. 7 of 1998) (“NR Act”), SANRAL is entitled to let property in the national road reserve for service and rest area’s (e.g., Service Stations) as defined by the NR Act. Lizalor entered into a land lease with SANRAL for a period of 40 years and 11 months, commencing on the 1st of March 2013. Lizalor then entered into a sublease with Engen Petroleum for a period of 30 years commencing on the same date as the land lease. In terms of this Engen lease, Lizalor had to develop Platinum One Stop to Engen’s specifications.

The development rental has been ceded to Rand Merchant Bank Limited for the loan as detailed in **Annexure 13**.

SANRAL concession rental	
Term	40 years, 11 months
Start date	2013/03/01
End date	2054/02/28
Rental (excl. VAT)	R6 917,80
Annual escalation	Consumer Price Index (CPI)
Escalation date	01-Mar
SANRAL kiosk rental	
Term	42
Start date	1/11/2013
End date	28/02/2054
Rental (excl. VAT)	R 7800
Annual escalation	8%
Escalation date	01-Nov
ATM rental	
ATM lessee	ATM Solutions
Term	5 years
Start date	2019/05/01
End date	2024/04/30
Rental (excl. VAT)	R19 200
Annual escalation	6%
Escalation date	01-May

2.6 Lease agreement entered into between Coral Lagoon Investments (“**Lessor**”) and Engen Petroleum Limited (“**Lessee**”) dated 29 October 2007, and addendum thereto dated 16 October 2008, in terms of which the Lessor has agreed to let the premises referred to below, together with the improvements thereon, to the Lessee on the following terms:

Site name	Engen Riverside				
Site description	Engen Service Station property at the Riverside Mall in Nelspruit				
Property information	Remaining extent of ERF 34 Riverside Park Extension 4				
Average annualised property yield	6.2%				
Oilco base rental (land and development)					
Rental description	Initial rental period	First renewal period	Second renewal period	Third renewal period	Fourth renewal period
Term	10 years	5 years	5 years	5 years	5 years
Start date	2008/12/01	2018/12/01	2023/12/01	2028/12/01	2033/12/01
End date	2018/11/30	2023/11/30	2028/11/30	2033/11/30	2038/11/30
Rental (excl. VAT)	R84 100	R181 565,59	R266 779,42	R391 986,50	To be negotiated prior to fourth renewal period
Annual escalation	8%	8%	8%	8%	To be negotiated prior to fourth renewal period
Escalation Date	01-Dec	01-Dec	01-Dec	01-Dec	To be negotiated prior to fourth renewal period
Oilco variable rental					
Rental description	Volumetric Rental				
Term	25 Years				
Start date	1/12/2008				
End date	1/12/2032				
Variable percentage	n/a				
Additional excess volume rental	Additional 5 cents per litre on volume greater than 300 000 l/pm but lower than 400 000 l/pm, additional 3 cents per litre on volume over 400 000 l/pm				
Base Rate	2,5 cents per litre				

Annual escalation	8%
Escalation Date	1/12/2008

ATM rental

Lessee	Nedbank
Term	3 years
Start date	2020/12/01
End date	2023/11/30
Rental (excl. VAT)	R3 000
Annual escalation	5,00%
Escalation date	01-Dec

Afine has not entered into any lease agreements in respect of its offices, as it operates from the offices of Petroland at no additional charge to the R7 000 per petrol station site for administration costs.

Non-material agreements

1. Service agreement with HGG Paarl

In terms of the service agreement concluded between Afine and HGG Paarl on 21 April 2021, HGG Paarl has been appointed as the accounting officers of the Company. HGG Paarl's service includes the preparation of the annual financial statements for Afine from information which corresponds to general accepted accounting practice and applicable to the business, as well as taxation services.

HGG Paarl's fees are based on the time spent on the Company's affairs by partners and staff, and on the levels of skill and responsibility involved. These fees will be billed at appropriate intervals during the course of the year and settlement is due on presentation of our invoices.

ANNEXURE 16: VALUATION SUMMARY

"Afine Investments Limited
Unit 4602 Greenways
8 Wentworth Close
Strand
7140

Your Ref.: Afine Valuations

Our Ref.: AC220055v1

Date: 18 November 2021

Dear Sir

INDEPENDENT PROPERTY VALUERS' REPORT OF THE PROPERTY PORTFOLIO FOR AFINE INVESTMENTS LIMITED ("Afine") AND FOR WHICH THERE ARE DETAILED VALUATION REPORTS HELD BY AFINE

In accordance with your instruction of 31 March 2021, I confirm that professional staff of Appraisal Corporation have visited and inspected the seven properties listed in paragraph 5, *Property Schedule*, during April 2021 and reinspected the properties during October 2021. These valuations conducted have an effective date as at 31 May 2021.

1. INTRODUCTION

- 1.1 The valuations have been carried out by our registered Professional Valuers, who have considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of Afine. The detailed reports include commentary on the current economy, nature of the properties, locality, tenancy, risk profile, forward rent and earning capability and exposure to future expenses and property risk.
- 1.2 All these aspects have been considered in the individual valuation reports of the properties. The detailed reports have further addressed the tenancy income capability and expenditure for each property and tenant. The value therefore indicates the fair market value for each property which is detailed in the attached report and which have been summarised on a schedule as attached hereto. There are seven properties in total comprising the portfolio. All essential aspects of information of each property have been summarised in the attached schedule.

2. BASIS OF VALUATION

- 2.1 The valuations are required for the proposed listing of Afine on the JSE Limited. We have therefore valued the properties to comply with accounting standard IAS¹140.

IAS 40 Definition: *"Investment property is defined as property (land or a building – or part of a building – or both) held (by the owner or by the lessee under a finance lease) to earn rentals or for capital appreciation or both, rather than for (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business".*

Fair Value Model: *"The fair value of investment property should reflect the actual market state and the circumstances as at the balance sheet date. Where the enterprise will not be able to determine the fair value of the investment property reliably on a continuing basis, i.e., when comparable market transactions are infrequent and alternative estimates of fair value (discounted cash flow projections) are not available, the enterprise should measure that investment property using the benchmark treatment in IAS 40 (Cost less accumulated depreciation and accumulated impaired losses)".*

"The "fair value model" in the standard describes fair value in this context in very similar terms to Market Value and its supporting commentary in International Valuations Standards. For all

¹ International Accounting Standards

practical purposes connected with part of the standard they can be regarded as synonymous" (RICS² November 2004).

- 2.2 We accordingly determined the Fair Value ("**Market Value**") of the properties. For the purpose of the valuations the definitions will predominantly be based on the guidelines set out by the International Valuation Standards Council ("**IVSC**³") and the International Accounting Standards Board (**IASB**): The valuation is based on market value which is defined by the IVSC as:

"The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion."

3. VALUE COMPUTATION

- 3.1 As all the properties currently have long-term leases, which have remaining terms in excess of five-years. The market value of these properties has been based on a discounted cash flow of their estimated net revenue streams. With this method, the cash flow for a defined future period is adjusted to a present value using a discount rate. The sum of the present-day values for the individual periods represents an estimate of the capital value. The discount rate will be based on the time cost of money and the risks and rewards of the income stream in question.
- 3.2 The discounted cash flow value has been calculated for each property with reference to fair value reporting in order to ensure that the reported value is consistent with the current market. The considerations for the valuations are as follows:
- 3.2.1 Calculating the forward cash flow of all contractual and other income derived from the properties.
 - 3.2.2 The portfolio comprises a number of branded service stations, namely two Engen and five Sasol sites. These are considered blue-chip tenants, who in addition have a vested interest in the sites (where investment by tenants have been made in terms of fuel equipment and signage etc). Contract rentals vary and, in some cases, where newer leases are in place, are considered to be in line with market rentals, whereas the older leases are either below or above market rentals.
 - 3.2.3 The rental relationships to market have been determined by applying the Regulated Accounting System ("**RAS**") to determine the retail margin applicable to each site's throughput to determine the market rental for the forecourt.
 - 3.2.4 In terms of ancillary uses on the sites, which in the case of the Afine sites included a convenience store, ATMs, carwash, and/or restaurants, market-related rentals were applied based on industry norms on turnover percentages. These usually range between $\pm 2.5\%$ and $\pm 10\%$ and have been accordingly applied to the retail component(s) on the properties. The rental rate has also been checked against comparable retail rental rates specific to the area in which the various properties are located.
 - 3.2.5 The headleases in place over the properties are for the full occupation and use of the properties by the oil companies, where there are exceptions in which the owner is permitted to enter into third party, separate lease agreements with regards to ATMs on the properties.
 - 3.2.6 The Sasol sites have fixed rental contracts, whereas both Engen sites, have a combination of a fixed rental element as well as a volumatic rental. The Engen sites are considered to be high volume throughput properties and of below average risk with regards to the rental flow over the contract period.
 - 3.2.7 Although Covid-19 did have a negative impact on the throughput volumes across all sites, with review over the current 2021 months (i.e., post Lockdown level 3), average monthly throughput levels are considered to be in recovery, with a likelihood to reach pre-Covid through levels moving forward.
 - 3.2.8 Calculating the forward contractual and other expenditure as well as provisions for various expenses in order to provide for void or future capital expenditure to which the property may be exposed. With regards to the contractual rentals in terms of the headlease on the properties, these are all considered fully repairing, with all costs

² Royal Institution of Chartered Surveyors

³ As per standard which came into effect on 31 January 2020

accounted for by the tenant. A provision for expenses such as management fees and auditing, reflected as a percentage of gross income has been considered. However, with regards to a market rental, we assume that expenses of insurance, external maintenance as well as rates and taxes would apply to the owner/landlord and as such a higher expense ratio is considered for the market related rental stream on each property.

3.2.9 Values have been determined by discounting the net income derived from the properties for the remaining period of the contract lease terms, calculated from 01 May 2020, with a reversion to market value at the end of the lease period.

3.2.10 The valuation has considered published market statistics from the South African Property Owners Association ("**SAPOA**") index report⁴ regarding capitalisation, discount and exit capitalisation rates. In addition, we have looked at transactions of filling stations, in order to benchmark the applicable rates for each property. Furthermore, consideration was taken with regards to the specific locations of the Afine Properties, which are situated in areas with short to medium term development potential, placing the properties in the lower range (lower risk) of benchmark rates.

4. FURTHER DEVELOPABLE LAND/POTENTIAL

No further development potential was considered on any of the properties.

⁴ SAPOA Capitalisation and Discount Rate Report November 2020

5. PROPERTY SCHEDULE

No.	Site Description	Province & Location	Site Legal Description				Date of physical Inspection	Tenure including term	Approx. age in years	Extent Main Component	Extent Fuel Site	Registered Owner	Nature	Market Value
			Allotment/ Farm Name	Erf/ Farm No.	Ptn. No.	Other								
1	Sasol Somerset West	Western Cape, Somerset West	Somerset West	15848 15851			2021/04/22 and 2021/10/25	Freestanding	17	705m ² 2 771m ²	705m ² 2 771m ² 3 476m ²	Clifton Dunes Investments 79 (Pty) Ltd	Service station with convenience store	R44 300 000
2	Sasol Piet Retief	Mpumalanga, Piet Retief	Thandekile	1			2021/04/24 and 2021/10/26	Freestanding	17	12 334m ²	12 334m ²	Clifton Dunes Investments 10 (Pty) Ltd	Service station with convenience store, truck stop and restaurant	R46 400 000
3	Sasol Grasnyers, Witbank	Mpumalanga, Witbank (Emalahleni)	Witbank	2490			2021/04/25 and 2021/10/27	Freestanding	17	2 023m ²	2 023m ²	Thunder Cats Investments 78 (Pty) Ltd	Service station with convenience store	R23 100 000
4	Engen Riverside, Nelspruit	Mpumalanga, Nelspruit	Riverside Park	34	RE		2021/04/25 and 2021/10/26	Freestanding	14	3 762m ²	3 762m ²	Coral Lagoon Investments 163 (Pty) Ltd	Engen Riverside Convenience & Woolworths	R48 000 000
5	Sasol Parkdene, Johannesburg	Gauteng, Boksburg	Parkdene	654	RE		2021/04/23 and 2021/10/26	Freestanding	18	2 274m ²	2 274m ²	Investments Facility Co Three Three Six (Pty) Ltd	Service station with convenience store	R9 900 000

No.	Site Description	Province & Location	Site Legal Description				Date of physical Inspection	Tenure including term	Approx. age in years	Extent Main Component	Extent Fuel Site	Registered Owner	Nature	Market Value
			Allotment / Farm Name	Erf /Farm No.	Ptn. No.	Other								
6	Sasol Protea Park Rustenburg	North-West, Rustenburg	Proteapark	1439			2021/04/25 and 2021/10/27	Free-standing	19	2 737m ²	2 737m ²	Investments Facility Co Three Three Six (Pty) Ltd	Service station with convenience store	R19 100 000
7	Engen Platinum One Stop, Pretoria	Gauteng Pretoria	Doornpoort	295JR	150	Lease Ptn.	2021/04/26 and 2021/10/27	Lease Hold	8	893 101m ²	21 877m ²	Sanral with Lizalor Investments (Pty) Ltd as Notarial leaseholder	Direct Access Freeway sites, east and west of N4 National Road with convenience centre, restaurant and truck stop	R116 500 000
			Doornpoort	295JR	150	Lease Ptn. B		21 years and 6 months		893 101m ²	9 157m ²			
			Doornpoort	295JR	151	Lease Ptn.				54 136m ²	18 042m ²			
											27 199m ² 49 076m ²			
Collective Total													R307 300 000	

6. VALUATION QUALIFICATIONS

Qualifications are usually detailed as a consequence of:

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

6.1 To the best of our knowledge, we have considered all of these aspects in all the valuations:

6.1.1 We have received the signed headlease agreements as well as the notarial leases for which the properties are encumbered and listed all relevant provisions in the valuation reports.

6.1.2 The fuel industry is regulated by the Petroleum Act and the latest provisions in terms of the RAS model have been applied to the market determination of the properties.

6.1.3 Due to the nature of the leases and properties there are no vacancies and no loss of income due to refurbishments.

6.2 We however are not responsible for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile, or legal dispute which may result in any cash flow disruption.

7. OPTIONS OR BENEFIT / DETRIMENT OF CONTRACTUAL ARRANGEMENTS

To our knowledge there are no contractual arrangements on the properties other than the leases as detailed in the report that have a major benefit or are detrimental to the fundamental value base of the properties. To the best of my knowledge, there are no options in favour of any parties for any purchase arrangement on any of the properties.

8. INTRA-GROUP OR RELATED PARTY LEASES

Having inspected all the leases it is noted that there are no intra-group or related party leases. The current management of the portfolio is carried out at the offices of Afine.

9. CURRENT STATE OF DEVELOPMENT

There are no properties which are currently being developed and no development potential has been considered for any of the properties as stipulated in **par. 4**. Note, some properties may have some minor repairs and alternations taking place, which is a normal consequence.

10. EXTERNAL PROPERTY

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

11. RENTALS USED IN VALUATIONS

11.1 Contractual rentals have been applied for the remaining years of the lease term. These have escalated as per contractual terms.

11.2 In the case of volumatic and turnover rentals, a conservative approach was considered with regards to the annual growth rate of these. This was based on the three-year record of performance in terms of throughput and turnover received for each property.

11.3 Summary of adjustments made to future rental streams;

11.3.1 Sasol Somerset West

Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is above the market. With 8.6-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R30,648,612. A reversion value of R45,931,598 is calculated at market rental as at the end of the lease, with a net present value of R13,679,292. These total R44,327,904, say R44,300,000. These are captured in the valuation report.

11.3.2 Sasol Piet Retief

Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is in line with the market. With 8.6-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R27,429,459. A reversion value of R55,216,702 is calculated at market rental as at the end of the lease, with a net present value of R18,911,255. These total R46,340,714, say R46,300,000. These are captured in the valuation report.

11.3.3 Sasol Grassnyers, Witbank

Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is in line with the market. With 8.6-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R16,285,478. A reversion value of R23,034,927 is calculated at market rental as at the end of the lease, with a net present value of R7,889,269. These total R24,174,746, say R24,200,000. These are captured in the valuation report.

11.3.4 Engen Riverside, Nelspruit

Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is below market. With 12.58-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R32,145,361. A reversion value of R91,884,328 is calculated at market rental as at the end of the lease, with a net present value of R15,884,328. These total R47,974,609, say R48,000,000. These are captured in the valuation report.

11.3.5 Sasol Parkdene, Johannesburg

Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is well below the market. With 7.83-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R644,585. A reversion value of R27,737,895 is calculated at market rental as at the end of the lease, with a net present value of R9,281,263. These total R9,925,848, say R9,900,000. These are captured in the valuation report.

- 11.3.6 Sasol Protea Park, Rustenburg
Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is well below the market. With 6.42-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R1,130,424. A reversion value of R40,388,277 is calculated at market rental as at the end of the lease, with a net present value of R17,921,123. These total R19,051,547, say R19,100,000. These are captured in the valuation report.
- 11.3.7 Engen Platinum One Stop, Pretoria
Long-term lease significant attribute of value. Compared contract rentals to market rentals, based on premise of the RAS Model. This indicates that the current annual contract rental is in line with the market. With 34-years remaining on the lease, a DCF was applied to account for this income stream. The DCF comprises the determination of the net rental income for the remaining lease period, discounted to the date of valuation. A capitalised exit value is furthermore calculated on the estimated market rental reversion at the end of the lease period, discounted to the date of valuation. The net present value of the contract rental is computed at R105,909,825. A reversion value at market rental as at the end of the lease, has a net present value of R10,631,652. These total R116,541,477, say R116,500,000. These are captured in the valuation report.
- 11.4 Market-related rentals have been applied as a reversion at the end of the lease periods on the properties and have escalated on a growth rate of between $\pm 4\%$ and 5% per annum, considering not only current throughput rentals, but also cognisance of the growth potential of the area, which can positively impact on the throughput potential.

12. OTHER GENERAL MATTERS AND VALUATION SUMMARY

A full valuation report is available per site detailing tenancy, town planning, valuer's commentary, expenditure and other details. This has been given to the directors of Afine.

13. ALTERNATIVE USE FOR A PROPERTY

The properties have all been valued in accordance with their existing use which represents their Highest and Best Use⁵. No alternative uses for the properties have been considered in the determination of value.

14. OTHER COMMENTS

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

15. CAVEATS

15.1 Source of information and verification

- 15.1.1 Information on the properties regarding rental income, turnovers and other income detail has been provided to us by the current owners. Where notarial leases were not provided, we sourced these from Windeed.
- 15.1.2 We have requested municipal accounts in order to verify municipal values. It should be noted that the accounts are held by the oil companies and we were unable to receive all accounts. We have endeavoured to verify municipal values from the Municipalities telephonically and via their valuation rolls, where available on their relevant websites.
- 15.1.3 The valuation reports have been prepared in conformity with recognized standards of appraisal procedure and ethics. To the best of our knowledge and belief the statements contained in these are correct.

⁵ As defined by IVSC

15.2 Leases

Our valuation has been based on a review of actual tenants' leases which includes material terms such as repair obligations, escalations, renewal options and other pertinent details. These have been detailed in the Lease Information Sections in each individual valuation reports. Full details of each of the leases are also set out in **Annexure 15** of the Pre-Listing Statement.

15.3 Lessee's Credibility

In arriving at our valuation conclusions, cognizance has been taken of the lessees' security and rating. The current portfolio is 100% occupied by oil company tenants. This has influenced the capitalisation rate by way of a risk consideration.

15.4 Mortgage Bonds, Loans, etc.

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

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

15.5 Calculation of Extents

15.5.1 All extents quoted within the detailed valuation reports are those stated in the plans furnished and verified with our on-site inspections. To the extent that plans were not available, on site measurements were taken. Aerial and onsite checking of sizes have also been done to verify information provided.

15.5.2 All mapping and photography in the valuation reports were conducted by us.

15.6 Structural conditions

We have not carried out investigations on site in order to determine the suitability of ground conditions and services for any future proposed development. Our value determination is on the basis that these aspects are satisfactory.

15.7 Contamination

We have assumed that there is no contamination, other than that associated with its existing usage, affecting the property or neighbouring property, which would affect our value determination. However, we reserve the right to review our value, should it be established subsequently that contamination, other than that associated with its existing usage, exists at the property or on any neighbouring land.

15.8 Covid-19 Pandemic

This valuation does attempt to factor in the potential impact that the Covid-19 pandemic might have on property values. It is however at this point in time not possible to quantify such impact with certain accuracy. This will only become more measurable in forthcoming years as we progress through the recovery of this pandemic.

15.9 Town Planning

15.9.1 Town planning details, and title deed conditions and restrictions have been noted in the detailed valuation reports, and use of the properties have been verified against such conditions. This is to ensure compliance with town planning regulations and title deeds.

15.9.2 There do not appear to be any infringements of local authority regulations or deeds by any of the properties. The valuation has further assumed that the improvements have been erected in accordance with the relevant Building and Town Planning Regulations and on inspection it would appear that the improvements are in accordance with the relevant town planning regulations for these properties.

15.9.3 To our knowledge there is no contravention of any statutory regulation, or town planning local authority regulation or contravention of title deed relating to any of the

properties which infringement could decrease the value of the properties as stated as at current date of local authority legislation.

15.10 Full Disclosure

- 15.10.1 Neither all nor any part of the Valuation Report shall be conveyed to the public or anybody/person other than the addressee or his principals through advertising, public relations, news sales or any other media, without the written consent of Appraisal Corporation. This particularly pertains to the value conclusion, the identity of the appraiser/s or any reference to the professional appraisal organisation to which we belong
- 15.10.2 Opinions stated are based on a full and fair consideration of all the pertinent factors available. The statements are subject to the Assumptions and Limiting Conditions stated in the valuation reports.
- 15.10.3 Appraisal Corporation has no present or contemplated interest in this or any other property or any other interests, which would affect the statements or values contained herein. Neither the employment nor compensation are contingent upon reporting predetermined or specified amounts of value.
- 15.10.4 No responsibility is assumed for matters legal in nature. Information provided by property owners, parties to sales and others are assumed reliable but its accuracy is not guaranteed. This value determination has been prepared on the basis that full disclosure of all information and factors, which may affect the valuation, has been made to myself, and we cannot accept any liability or responsibility whatsoever for the value determination, unless such full disclosure has been made. I emphasise that we have not carried out a structural survey of the improvements, nor have we examined them for signs of timber infestation, and accordingly, cannot be responsible for possible defects.

16. MARKET VALUE

- 16.1 I am of the opinion that the properties have the open market values as stated in the *Property Schedule*, as at 31 May 2021.
- 16.2 These reflect a collective market value of the property portfolio, with an effective date as of 31 May 2021, in the order of **R307,300,000** (excluding VAT).
- 16.3 There have been no material changes in circumstance, since the effective date, that has affected the valuation.

17. APPRAISAL CORPORATION EXPERIENCE

- 17.1 Appraisal Corporation, with its head office in Cape Town was established in 1988 by Saul du Toit. It has since grown to the foremost and most progressive valuation practise in the Western Cape and one of the prominent valuation firms in South Africa. With 12 staff members comprising of six Professional Valuers, one Professional Associated Valuer, one Candidate Valuer and four administrative resources, Appraisal Corporation can undertake valuation assignments of any nature and magnitude. Collectively, Appraisal Corporations' professional staff has ±189 years of valuation experience and has since establishment, completed ±35,943 valuation assignments for all nature of property.
- 17.2 Detail of independent registered valuers;
 - 17.2.1 Jacques Francois du Toit, Professional Valuer, no restrictions (SACPVP Reg. No. 2631), as per SACPVP Certificate dated 19 May 2017, Address is 35 Kloof Street, Cape Town, 8001.
 - 17.2.2 Robyn Elizabeth Jackson, Professional Valuer, no restrictions (SACPVP Reg. No. 7677), as per SACPVP Certificate dated 25 May 2021, Address is 35 Kloof Street, Cape Town, 8001.
 - 17.2.3 Wesley Raymond Green, Professional Valuer, no restrictions (SACPVP Reg. No. 6657), as per SACPVP Certificate dated 25 May 2021, Address is 35 Kloof Street, Cape Town, 8001.

18. INDEPENDENT REGISTERED VALUER'S CONFIRMATION OF INDEPENDENCE

This declaration is completed with reference to:

- Afine Investments Limited ("the issuer"), the holding company, subsidiary companies, associate companies and joint ventures of the issuer ("the issuer's related parties")
- The issuer's listing as a Real Estate Investment Trust by way of introduction on the exchange operated by AltX of the JSE.

We acknowledge that this declaration has been requested by the JSE for the purpose of confirming to the JSE that we have no direct or indirect material interest in the transaction, or in the success or failure of the transaction, that may mitigate against our appointment as the independent property valuers for the transaction.

We further acknowledge that the independent property valuer may be an employee or member of a company or other entity that does not form part of a larger organisation.

This declaration is therefore made in the context that it relates to the individuals, and/or the closed corporation directly responsible for undertaking the work and issuing the valuation report, as well as any other parties within the closed corporation that are involved in issuing the valuation report. Full name of the independent property valuer: Jacques Francois du Toit ("the independent registered valuer"), who is an employee or member of Appraisal Corporation CC ("the property valuer").

I, Jacques Francois du Toit being the sole member and executive, and duly authorised on behalf of the property valuer to give this declaration, declare as follows:

18.1 Internal confidentiality procedures

18.1.1 The property valuer, has internal compliance procedures in place dealing with communication amongst its employees and contractors so as to ensure that information is kept confidential when appropriate;

18.1.2 Through these procedures, information of a non-public nature regarding the transaction is unknown to anyone outside of the property valuer. In addition, the independent registered valuer and/or the property valuer cannot be influenced with regard to the procedures that they follow and the valuation report that they will provide regarding the transaction. These procedures are as follows: all employees of the property valuer complies with the Protection of Personal Information Act, Act No. 4 of 2013; strictly adhere to the Code of Conduct as laid down by the South African Council for the Property Valuers Profession ("SACPVP") and which Code of Conduct came into effect on 10 November 2004; strictly adhere to the Code of Conduct as laid down by the South African Institute of Valuers ("SAIV") and which current Code of Conduct came into effect on 16 May 2019; undertake all valuations with a total independence and confidentiality as required by both the SACPVP and SAIV, but also as required by the International Valuation Standard to which we have to comply; inhouse valuation auditing process to ensure a diligent and objective valuation output and a strict confidentiality protocol to which all staff of the property valuer must comply. In addition, the property valuer has no objection to the holding of discussions with our legal compliance department.

18.2 Membership by the independent registered valuer and directors / partners / employees, etc. of the property valuer

18.2.1 No persons who form part of the staff of the property valuer, or who are otherwise directly or indirectly involved in the activities of the property valuer, have any interest in any class of share, debt or loan capital of the issuer, the related parties to the issuer or any other party involved in the transaction or who may benefit from the transaction.

18.2.2 The information given in 18.2.1 above has not changed in the last 6 months;

18.3 Shareholding of the property valuer

18.3.1 Neither the property valuer, nor any companies or funds under the management of the property valuer, has any interest (of which the property valuer or the compliance department is aware) in any class of share, debt (short term or long term) or loan capital of the issuer and/or the asset manager or management company of the issuer and/or any other company which is one of the issuer's related parties and/or any other party involved in the transaction or who may benefit from the transaction.

18.3.2 The information given in 18.3.1 above has not changed in the last 6 months.

18.4 Directorships of the independent registered valuer and/or staff of the property valuer

18.4.1 No staff of the property valuer, or any subsidiary or associate company of the property valuer, or the property valuer's holding company, or any company in the property valuer's holding company's group, is a director of the issuer or the asset manager or management company of the issuer or a company which is one of the issuer's related parties or any other party involved in the transaction or who may benefit from the transaction.

18.4.2 The information given in 18.4.1 above has not changed in the last 6 months.

18.5 History of services provided to the issuer

18.5.1 The independent registered valuer and/or the property valuer (and all subsidiary, associate companies and related parties of the property valuer) has provided the issuer, and or the asset manager or management company of the issuer and/or the issuer's related parties an/or any other party involved in or who may benefit from the transaction (including the promoter), with the following services for the following fees or other economic benefit during the last 24 months commencing from the date of the last financial year end of the issuer or six months after the last financial year end, whichever is the later

External / property valuer or company in the property valuer's group	Nature of service Provided	Date service Provided	Fees (or economic benefit as % of total fees for the external/property valuer for that financial period (see Note 1))
Appraisal Corporation CC	Valuation of the 7 properties forming the issuer's properties with the current listing as a Real Estate Investment Trust by way of introduction on the exchange operated by AltX of the JSE	During April & May 2021	R122,500 (excluding VAT & disbursements). This equates to 1.48% of our fees for the past financial year 12 months).

Note 1: disclosure has been made where this percentage is equal to or greater than 10%, in the case of the independent registered valuer and/or the property valuer itself or any subsidiary, associate company or related party of the property valuer)

18.5.2 The information given in 18.5.1 above has not changed in the last 6 months

18.5.3 The issuer, the asset manager or management company of the issuer and the promoter are not material clients of the property valuer's holding company or any company in the property valuer's holding company's group.

18.6 Shareholding by the staff of the issuer and the asset manager or management company of the issuer:

18.6.1 Neither the issuer (and all subsidiary, associate companies and related parties of the issuer), the issuer's holding company's group (and any company in the property valuer's holding company's group), the asset manager or management company of the issuer nor the staff of the issuer hold 5% or more in the share capital of the property valuer and/or the property valuer's holding company, either beneficially, directly or indirectly.

18.7 Directorships of the staff of the issuer and the asset manager or management company of the issuer:

18.7.1 No staff of the issuer, or any subsidiary or associate company of the issuer, or the issuer's holding company, or any company in the issuer's holding company's group is a director of the property valuer or the asset manager or management company of the issuer any related parties of the property valuer or any other party involved in the transaction or who may benefit from the transaction.

- 18.8 Other:**
- 18.8.1 There are no other matters of which the independent registered valuer and/or property valuer or our compliance department is aware may affect our independence from the issuer or the transaction.
- 18.9 Fees to be paid for providing the valuation report:**
- 18.9.1 Neither the fees (or other benefit) to be paid for providing the valuation report nor any other fees (or other benefit) receivable from the issuer, the asset manager or management company of the issuer or the issuer's related parties or any other party, are contingent upon the outcome of the transaction;
- 18.9.2 The fee to be paid for providing the valuation report, expressed as a percentage of the fees:
- 18.9.2.1 Are less than 10% of the gross fees received by the independent registered valuer and/or the property valuer for the last financial year;
- 18.9.2.2 The total of all fees receivable from the issuer is not more than 5% of the budgeted fees of the independent registered valuer and/or the property valuer for the current financial year.
- 18.9.3 If the independent registered valuer and/or property valuer is unable to provide a positive confirmation to 18.9.2.1 and/or 18.9.2.2 they should provide details of the fees payable, expressed as a percentage of the gross fees received by the property valuer for the last financial year and as expressed as a percentage of the budgeted fees for the property valuer for the current financial year;
- 18.9.4 The fees for providing the valuation report are to be received in cash and are in no way linked to the ability to convert those fees into shares.
- 18.10 General**
- 18.10.1 The independent registered valuer and/or the property valuer will inform the JSE immediately of any changes to the information given in this declaration that come to the attention of the independent registered valuer and/or the property valuer between the date of this declaration and the date of issue of the valuation report;
- 18.10.2 The contents of this declaration have been discussed with the compliance officer of the property valuer and all other relevant directors and employees of the property valuer who maintain the information provided in terms of this declaration;
- 18.10.3 Based on the fact that the independent registered valuer and/or the property valuer has made all reasonable enquiries in order to complete this declaration, the information disclosed in this declaration is accurate and complete.

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

Yours faithfully

J.F. du Toit
Pr Val (FIVSA)
(SACPVP No.: 2631/4)
for
Appraisal Corporation
35 Kloof Street
Cape Town, 8001
E-mail: valuations@appraisal.co.za
Website: www.appraisal.co.za

ANNEXURE 17: PROPERTY DETAILS

Property name	Physical address	GLA (m ²) ⁶	Tenant	Rental per month	Weighted average rental per m ²	Lease expiry	Acquisition date	Acquisition cost	Independent valuation at 31 May 2021
Sasol Somerset West	Erven 15848 and 15851, Somerset West, Western Cape	3 476	Sasol	R352 201	101.32	31/12/2029	02/12/2004	R1 678 969	R44 300 000
Sasol Piet Retief	Erf 1, Thandekile Township, Mpumalanga	12 334	Sasol	R307 758	24.95	31/12/2029	29/04/2004	R1 898 038	R46 400 000
Sasol Grassnyers	Erf 2490, Witbank, Ext 13 Township, Mpumalanga	2 023	Sasol	R186 975	92.42	31/12/2029	06/08/2004	R1 878 861	R23 100 000
Parkdene	ERF 654, Parkdene Ext 3 (Johannesburg)	12 267	Sasol	R90 555	7.38	1/10/2027	08/07/2003	R85 000	R9 900 000
Protea Park	ERF 1439, Protea Park Ext 1 (Rustenburg, North West)	2 737	Sasol	R67 718	24.74	1/03/2029	16/07/2002	R85 000	R19 100 000
Engen Platinum One Stop	Farm 150 and 151, Doornpoort, Pretoria, Gauteng	49 076	Engen	R630 000	12.84	28/02/2028	28/02/2013	R34 379 375	R116 500 000
Engen Riverside	Remaining extent of ERF 34 Riverside Park Extension 4	3 762	Engen	R181 566	48.26	30/11/2023	26/03/2007	R7 001 514	R48 000 000
Total		85 675		R1 816 773	21.21			R47 006 757	R307 300 000

Notes:

- All of the above properties are used as service stations and have been independently valued by an external independent property valuer as set out in **Annexure 16**. None of the properties are vacant. The property values are substantially higher than the acquisition costs due to refurbishments and new long terms leases being negotiated subsequent to the various acquisitions.
- All of the above properties are freehold, save for Engen Platinum One Stop, which is leasehold, which leasehold rights were acquired for cash.
- Engen Platinum One Stop lease expiry for development rental detailed in table above is 2028 although the land lease expires on 28 February 2043.
- Engen Riverside property is subject to three further lease renewals of five years each; therefore, ultimately the lease expires on 30 November 2038.
- Normal town planning restrictions and conditions apply to the properties of this nature.
- Whilst weighted average rental per m² has been disclosed in the table above, rental of petrol stations is not dependent on the size of the rentable area or that of the property, but is payable as a fixed amount. Detail of each type of rent is set out further in **Annexure 15**. GLA per square meter is based on the following:

Property name	Shop and Additions	Canopy	GLA - Site m ²
Sasol Somerset West	300	416	3 476
Sasol Piet Retief	315	417	12 334
Sasol Grassnyers	200	359	2 023
Parkdene	200	359	12 267
Protea Park	200	359	2 737
Engen Platinum One Stop	1214	1234	49 076
Engen Riverside	320	416	3 762

ANNEXURE 18: OTHER DIRECTORSHIPS

The names of all companies and partnerships of which the Directors and the directors of major Subsidiaries have been a director or partner in the previous five years are set out below:

JT (Anton) Loubser	306 Waterval CC	Active
	418 Anderson Street Property Holdings (Pty) Ltd	Active
	Advanced Property Projects (Pty) Ltd	Inactive
	Bellrest 129 (Pty) Ltd	Resigned
	Bellrest 150 (Pty) Ltd	Active
	Clifton Dunes Investments 10 (Pty) Ltd	Active
	Clifton Dunes Investments 10 (Pty) Ltd	Active
	Clifton Dunes Investments 79 (Pty) Ltd	Active
	Coral Lagoon Investments 163 (Pty) Ltd	Active
	De Werf N7 (Pty) Ltd	Active
	De Werf N7 Service Station (Pty) Ltd	Active
	Dolphin Whisper Trading 97 (Pty) Ltd	Inactive
	Glomor Three (Pty) Ltd	Active
	Glomor Two (Pty) Ltd	Active
	Hentiq 2600 (Pty) Ltd	Inactive
	Itirele Developers (Pty) Ltd	Inactive
	Lizalor Investments (Pty) Ltd	Active
	Mastocol (Pty) Ltd	Resigned
	N4 Development Nelspruit Cc	Inactive
	Nebutrax (Pty) Ltd	Resigned
	Nebutrax Cc	Resigned
	Petroland Developments (Pty) Ltd	Active
	Petroland Developments (Pty) Ltd	Active
	Petroland Group (Pty) Ltd	Active
	Riverside Gardens Convenience Centre (Pty) Ltd	Resigned
	Riverside Gardens Convenience Centre Cc	Resigned
	Ronald Malan Rasebotsa Cc	Inactive
	Sizzlers Braai (Pty) Ltd	Resigned

	Thunder Cats Investments 78 (Pty) Ltd	Active
	Thunder Cats Investments 78 (Pty) Ltd	Active
	Vision Business Corporation Cc	Inactive
	Viva Oil (Eastern Cape) (Pty) Ltd	Inactive
	Viva Oil (Kwazulu Natal) (Pty) Ltd	Inactive
	Viva Oil (Pty) Ltd	Resigned
	Webtel Management Services (Pty) Ltd	Inactive
	Wentworth Close Nr 8 (Pty) Ltd	Active
MJ Watters	City Lodge Hotels Ltd	Resigned
	Corovest Offshore Ltd	Dissolved
	Dunstable PropCo Ltd	Resigned
	Katherine Street Properties (Pty) Ltd	Active
	KSP Investments Ltd	Active
	International Hotel Properties Ltd	Resigned
	Petersfield Properties Ltd	Dissolved
	RBH Hotel Group Ltd	Resigned
	RDI REIT Ltd	Resigned
	RDI REIT P.L.C.	Resigned
	RDI Management Services Limited	Resigned
	Redefine Hotel Holdings Ltd	Resigned
	Redefine International Fund Managers Europe Ltd	Resigned
	Redefine International Holdings Ltd	Resigned
	Redefine International Management Holdings Ltd	Resigned
	Redefine International Property Management Ltd	Dissolved
	Redefine Investment Managers (UK) Ltd	Resigned
	Redefine Properties Ltd	Retired
	Redefine Properties International Ltd	Resigned
	The Gateway Hotel Dunstable Ltd	Resigned
	Twenty Six the Esplanada Ltd	Resigned
	26 Esplanada no. 1 Ltd	Resigned
PM Todd	Osiris International Trustees Limited	Active

Osiris Management Services Ltd	Active
Osiris Secretarial Services Ltd	Active
Heavy Lift Charters Limited	Active
Starlite Aviation Operations Ltd	Active
Rock PHB Ltd	Active
Hover Aviation Insurance Ltd	Active
Grit Services Limited	Active
Grit Real Estate Income Group Limited	Active
Diaspora Technologies Ltd	Active
Osiris Corporate Solutions (Mauritius) Ltd	Active
Starlite Africa Training Ltd	Active
SONS Investments Ltd	Active
Carroll Industrial Holdings Ltd	Active
Orbit Insurance Ltd	Active
Malaicha.com Ltd (previously known as Snode Technologies Ltd)	Active
Daytona Technologies Ltd	Active
Daytona Holdings (Mauritius) Ltd	Active
Cathral Investments Seventy Two (Pty) Ltd	Active
Aspera Capital Management Ltd	Active
GB Fund Services Ltd	Active
Substantiation Investments SPC Ltd	Active
VATit Group Limited	Active
Sandown Motors Ltd	Active
The Virtulab (Mauritius) Ltd	Active
CG Energy Services (Mauritius) Ltd	Active
Afine Investments Proprietary Limited	Active
Osiris Resources Limited	Active
MMR Mining Limited	Active
Virtual Training Systems Limited	Active
Selenac Holdings Ltd	Active
Trevo Capital Ltd	Resigned

International Hotel Group Ltd	Resigned
The Hampshire Motor Group Ltd	Resigned
Sandown Surrey and Hampshire Ltd	Resigned
The Hampshire Motor Investment Company Ltd	Resigned
Jacksons Investments Ltd	Resigned
Botraysa Ltd	Resigned
Starlite Aviation Ireland Ltd	Resigned
Starlite Aviation Training Services Ltd	Resigned
Starlite Training Leasing Ltd	Resigned
Starlite Investments Ireland Ltd	Resigned
Hodarihold Ltd	Resigned
Africa Property Investments Ltd	Resigned
Kitwe Copperbelt Investments Ltd	Resigned
Ndola Investments Ltd	Resigned
Syngenta Limited	Resigned
One Property Management Services Limited	Resigned
Freedom Asset Management	Resigned
African Construction Ltd	Resigned
Luano Investments Ltd	Resigned
Tradehold API Ltd	Resigned
Coronation Group Investments Ltd	Resigned
Sofrica Investment Company Ltd	Resigned
Astoria Investments Ltd	Resigned
Drake Fund Advisors	Resigned
Kin Oasis Investments Limited	Resigned
Kinshasa Investments Limited	Resigned
Lubumbashi Investments Limited	Resigned
Wusakili Investments Limited	Resigned
Greyhound Investing Corp	Resigned
Daytona Capital Management Ltd	Resigned
Heavy Lift Charters (Mauritius) Limited	Resigned
Aviation Crew Resource South Africa (Pty) Ltd	Resigned

	Pearl House Swansea Limited	Resigned
	Mettle Group (UK) Limited	Resigned
D Kohler	Antrim Close (Pty) Ltd	Resigned
	Archlake Developments (Pty) Ltd	Inactive
	Baron Transport Cc	Inactive
	Clifton Dunes Investments 79 (Pty) Ltd	Active
	Coral Lagoon Investments 163 (Pty) Ltd	Active
	Finlake Developments Cc	Resigned
	Hot Tin Roof Properties (Pty) Ltd	Resigned
	Investment Facility Company Three Three Six (Pty) Ltd	Active
	Lerella Investments Cc	Inactive
	Lizalor Investments (Pty) Ltd	Active
	P3 Properties (Pty) Ltd	Resigned
	Richmond Developments (Pty) Ltd	Inactive
JT Loubser	Clifton Dunes Investments 10 (Pty) Ltd	Active
	Coral Lagoon Investments 163 (Pty) Ltd	Active
	De Werf N7 (Pty) Ltd	Active
	Mastocol (Pty) Ltd	Resigned
	Nebutrax (Pty) Ltd	Resigned
	Nebutrax Cc	Active
	Petroland Developments (Pty) Ltd	Active
	Petroland Group (Pty) Ltd	Active
	Thunder Cats Investments 78 (Pty) Ltd	Active
	Tribunix (Pty) Ltd	Active
	Wentworth Close Nr 8 (Pty) Ltd	Active

ANNEXURE 19: MATERIAL RISKS

An analysis of identified risks facing shareholders, together with mitigating factors, is set out below:

Risk identified	Mitigation of risk
Poor liquidity	The Company has arranged that its controlling shareholder will make shares available to allow for liquidity in the market, subject to there being demand.
No dividends distributions will be made	The Company intends declaring distributions both interim and final and is required to distribute at least 75% of its distributable profit to shareholders to maintain its REIT status. Investors have been clearly informed on the intentions surrounding the dividend policy.
Availability of documents available for inspection	Whilst these documents will be available for inspection for the period required in terms of the Act, some of the documents will remain available in the public domain on the Company's website, such as the Pre-Listings Statement, which contains extracts of all relevant information for investors to review. All the leases are also registered against the titles of the properties, where they are accessible in the public domain. Going forward, the Company will comply with the various disclosure requirements of the JSE.
Forecast profits will not be achieved	The nature of the business is relatively simple and predictable, with the majority of the income being derived from contracted rental income in terms of long-term leases from existing and established listed customers, namely oil companies. These risks have been disclosed in the profit forecast assumptions as well as the extent of the risk.
Management will not run the business properly	The CEO and CFO have been contracted from Petroland as disclosed and have many years of experience running such a business and know the business well. The arrangement provides for additional time as the Company grows and also allows for succession planning.
Financial information may be inaccurate	The financial information has been audited and reviewed respectively by a JSE accredited auditor and IFRS experts were consulted. The majority of the rental income is based on long term rental contracts with two of the large oil majors and is diversified into four provinces.
Labour legislation	The Company does not have many employees and this is not considered a problem for the Company.
Growth in the electric vehicle market	The Company is already ensuring that it is able to address this market as it grows and will increase the electric vehicle charging stations at its sites as needed. This is also a focus area for the oil majors.
Lack of JSE experience	Certain of the Company's directors already have a number of years' experience on listed company boards and also the Designated Advisor is required to attend all Board meetings and Audit Committee meetings in accordance with the JSER Listings Requirements.

Fuel price and volume variations	The Company's rental income is not exposed to downward adjustments in the event of changes in the fuel price or a drop in volumes. There is upside potential on certain sites where minimum volumes are exceeded, as detailed in Annexure 15 .
COVID-19	The Company's rental income and collection of rental income was not negatively impacted by COVID-19 and the Company continued to receive all its rental income on time, other than for the Spur where concessions were made, which was immaterial to the group.
Civil unrest	As with any property, the Company could have its properties attacked and looted. However, in the recent looting and civil unrest, none of the properties were impacted. The sites are also well spread around the country in four provinces.
Strikes	The Company is not exposed to strike action or labour unrest as it leases the properties to oil majors and does not operate the petrol stations.
Credit losses	As the rentals are primarily with two large oil majors, the risk of debt not being collected is minimal. No collection problems were experienced during the COVID-19 lockdown, other than with Spur where minor concessions were granted.
Competition	The Company has long term leases and a good relationship and experience in the industry.