

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 4 of the Circular apply, *mutatis mutandis*, to this cover.

### ACTION REQUIRED BY TREMATON SHAREHOLDERS

- This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders" on page 2.
- If you are in any doubt as to what action you should take arising from this Circular, you should consult your CSDP, Broker, banker, legal adviser, accountant or other professional adviser immediately.
- Trematon does not accept responsibility and will not be held liable for any failure on the part of the CSDP or Broker of any holder of Dematerialised Trematon Shares to notify such Trematon Shareholder of the transactions and actions set out in this Circular.



### TREMATON CAPITAL INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/008691/06)

JSE share code: TMT ISIN: ZAE000013991

("Trematon" or "the Company")

---

## CIRCULAR TO TREMATON SHAREHOLDERS

Regarding

- **the Disposal by Trematon of the Properties to West Coast Leisure, constituting a category 1 transaction for the Company in terms of the aggregation provisions of the JSE Listings Requirements;**

and incorporating

- **a notice convening a General Meeting of Trematon Shareholders; and**
  - **a form of proxy in respect of the General Meeting of Trematon Shareholders (for use by Certificated Shareholders and Dematerialised Own-name Shareholders only).**
- 

JSE Sponsor



Reporting Accountants



Legal Adviser



---

Date of issue: Thursday, 6 April 2017

Copies of this Circular are available in English only and may, from Thursday, 6 April 2017 until Thursday, 11 May 2017 (both days inclusive), be obtained from the registered office of the Company, from the Sponsor and the Transfer Secretaries, at the addresses set out in the "Corporate Information" section of this Circular. A copy of this Circular will also be available on the Company's website ([www.trematon.co.za](http://www.trematon.co.za)).

---

## CORPORATE INFORMATION

---

### Company secretary and business address

Shiree Litten  
3rd Floor, Aria North Wharf  
42 Hans Strijdom Avenue  
Cape Town, 8001  
(PO Box 7677, Roggebaai, 8012)

### Transfer secretaries

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

### Reporting Accountants

Mazars  
Mazars House  
Rialto Road  
Grand Moorings Precinct  
Century City, 7441  
(PO Box 134, Century City, 7446)

### Date and place of incorporation

Pretoria, South Africa  
5 June 1997

### JSE Sponsor

Sasfin Capital, a division of Sasfin Bank Limited  
(Registration number 1951/002280/06)  
29 Scott Street  
Waverley, 2090  
(PO Box 9510, Grant Park, 2051)

### Legal Advisers

Bernadt Vukic Potash & Getz  
11th Floor  
No.1 Thibault Square  
Cape Town, 8001  
(PO Box 252, Cape Town, 8000)

### Property Valuer

Mills Fitchett Magnus Penny & Wolffs  
Suite SG110  
Ground Floor  
Great Westerford  
240 Main Road  
Rondebosch  
Cape Town, 7725

---

## TABLE OF CONTENTS

---

	<i>Page</i>
<b>Corporate information</b>	Inside front cover
<b>Action required by Shareholders</b>	2
<b>Important dates and times</b>	3
<b>Definitions and interpretations</b>	4
<b>Circular to Trematon Shareholders</b>	
1. Introduction and purpose of this Circular	7
2. Description of Group business	8
3. Group prospects	9
<b>The Disposal</b>	
4. The rationale for the Disposal	10
5. Terms of the Disposal	10
6. Conditions Precedent to the Disposal	11
7. Details of the Properties and valuation reports	11
8. Financial information	11
<b>General information</b>	
9. General Meeting	13
10. Details of Directors	13
11. Major Shareholders	13
12. Material borrowings	13
13. Material contracts	13
14. Material changes	14
15. Adequacy of capital statement	14
16. Litigation statement	14
17. Expenses	14
18. Directors' opinion, recommendations and undertakings	14
19. Shareholder irrevocable undertakings	15
20. Advisers' consents	15
21. Directors' responsibility statement	15
22. Documents available for inspection	15
<b>Annexure 1</b> <i>Pro forma</i> financial information of Trematon	16
<b>Annexure 2</b> Reporting Accountants' report on the <i>pro forma</i> financial information	23
<b>Annexure 3</b> Report of historical financial information of the Properties	25
<b>Annexure 4</b> Reporting Accountants' report on the report of historical financial information of the Properties	28
<b>Annexure 5</b> Abridged valuation report by Mills Fitchett on the Properties	31
<b>Annexure 6</b> Information relating to Directors	39
<b>Notice of General Meeting of Trematon Shareholders</b>	41
<b>Form of proxy for Certificated and Dematerialised Own-name Shareholders</b>	Attached

---

## ACTION REQUIRED BY SHAREHOLDERS

---

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to the following section on action required by Trematon Shareholders.

**Please take careful note of the following provisions regarding the action required by Trematon Shareholders**

1. If you are in any doubt as to what action to take, consult your Broker, CSDP, banker, attorney, accountant or other professional adviser immediately.
2. This Circular contains information relating to the Disposal. You should carefully read this Circular and decide how you wish to vote on the ordinary resolutions to be proposed at the General Meeting. The General Meeting will be held at Trematon's registered office, 3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001, on Thursday, 11 May 2017 commencing at 10:00, at which General Meeting Trematon Shareholders will be requested to consider and, if deemed fit, to pass the resolutions set out in the Notice of General Meeting attached to this Circular.

### 3. GENERAL MEETING

3.1 If you hold Dematerialised Trematon Shares:

#### 3.1.1 **Own-name Registration**

You are entitled to attend in person, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000), by no later than 10:00 on Tuesday, 9 May 2017.

#### 3.1.2 **Other than Own-name Registration**

You are entitled to attend in person, or be represented by proxy, at the General Meeting. You must **not** however, complete the attached form of proxy. You must advise your CSDP or Broker timeously if you wish to attend, or be represented at the General Meeting. If your CSDP or Broker does not contact you, you are advised to contact your CSDP or Broker and provide them with your voting instructions. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them. If you do wish to attend or be represented at the General Meeting, your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.

#### 3.2 **If you hold Certificated Trematon Shares**

You are entitled to attend, or be represented by proxy, at the General Meeting. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries, Link Market Services South Africa Proprietary Limited, 13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001 (PO Box 4844, Johannesburg, 2000) by no later than 10:00 on Tuesday, 9 May 2017.

---

## IMPORTANT DATES AND TIMES

---

The definitions and interpretations commencing on page 4 of this Circular apply, *mutatis mutandis*, to this important dates and times section.

---

**2017**

---

Record date for Shareholders to be recorded in the register in order to receive the Circular and Notice of General Meeting	Friday, 31 March
Circular and Notice of General Meeting posted to Trematon Shareholders and announced on SENS on	Thursday, 6 April
Last day to trade to be eligible to vote at the General Meeting on	Tuesday, 2 May
Record date in relation to voting at the General Meeting on	Friday, 5 May
Forms of proxy for the General Meeting to be received by 10:00 on	Tuesday, 9 May
General Meeting of Trematon Shareholders at 10:00 on	Thursday, 11 May
Results of the General Meeting released on SENS on	Thursday, 11 May
Results of the General Meeting published in the South African press on	Friday, 12 May

---

### **Notes**

The above dates and times are subject to amendment. Any amendment to the dates and times will be released on SENS.

---

## DEFINITIONS AND INTERPRETATIONS

---

In this Circular, unless otherwise stated or the context indicates a contrary intention, the following expressions shall have the meanings set out opposite them. Cognate expressions shall bear corresponding meanings, words denoting one gender shall include the others, natural persons shall include juristic persons and *vice versa* and the singular shall import and include the plural and *vice versa*.

"Abridged Valuation"	the abridged valuation report on the Properties, extracted from the detailed valuation reports that are available for inspection in terms of paragraph 22 of this Circular and which is attached hereto as Annexure 5;
"the Act"	the Companies Act, 2008 (Act 71 of 2008), as amended;
"Armchair Trust"	The Armchair Trust (Registration number IT1794/93), the family trust of Allan Groll, an executive director of Trematon;
"Board" or "Directors"	the current board of directors of Trematon whose names and details are reflected in <b>Annexure 6</b> to this Circular;
"Broker"	a "stockbroker" as defined in the Financial Markets Act;
"Buff-Shares"	Buff-Shares Proprietary Limited (Registration number 1999/026294/07, a private company incorporated under the laws of South Africa, a major Shareholder of Trematon;
"Business Day"	any day other than a Saturday, Sunday or public holiday officially recognised as such in South Africa;
"Casino Disposal"	the disposal of the interest in West Coast Leisure by Club Mykonos Langebaan to Tsogo the details of which are set out in paragraphs 1.1 and 13.4 of this Circular;
"Certificated Shareholders"	Trematon Shareholders who hold Certificated Shares;
"Certificated Shares"	Trematon Shares represented by a share certificate or other physical documents of title, which have not been Dematerialised;
"Circular"	this bound document distributed to Shareholders, dated Thursday, 6 April 2017, containing the circular to Trematon Shareholders and annexures thereto and including the Notice of General Meeting and form of proxy, prepared in accordance with the Listings Requirements;
"Club Mykonos Langebaan" or "CML"	Club Mykonos Langebaan Proprietary Limited (Registration number 1954/002223/07), a private company incorporated under the laws of South Africa, a wholly owned subsidiary of Trematon;
"Conditions Precedent"	the conditions precedent to the Disposal Agreement as detailed in paragraph 6 of this Circular;
"Consideration"	the amount of R30 000 000 payable in cash by West Coast Leisure in respect of the Disposal;
"CSDP"	a Central Securities Depository Participant, registered in terms of the Financial Markets Act, with whom a beneficial holder of Shares holds a Dematerialised Share account;
"Dematerialised Shareholders"	Shareholders who hold Trematon Shares which have been Dematerialised in terms of the requirements of Strate;
"Dematerialised Shares"	Trematon Shares which have been incorporated into the Strate system and which are no longer evidenced by Documents of Title;
"Dematerialised"	the process by which Shares are converted to or held in an electronic form as uncertificated Shares and are recorded in the sub-register of Shareholders maintained by a CSDP in terms of the requirements of Strate;

“Dematerialised Own-name Shareholders”	Shareholders who hold Dematerialised Shares who have instructed their CSDP to hold their Shares in their own name on the sub-register;
“Disposal”	the transaction entered into between the Club Mykonos Langebaan and West Coast Leisure by means of the Disposal Agreement, in terms of which Club Mykonos Langebaan will dispose of the Properties for the Consideration, subject to the fulfilment of the Conditions Precedent;
“Disposal Announcement”	the announcement on SENS of the details of the Disposal on Tuesday, 7 February 2017;
“Disposal Agreement”	the agreement entered into between Trematon, Club Mykonos Langebaan and West Coast Leisure on or about 1 February 2017, setting out the terms upon which Trematon will dispose of the Properties to West Coast Leisure;
“Documents of Title”	Share certificates, certified transfer deeds, balance receipts or any other physical documents of title pertaining to the Trematon Shares in question and acceptable to the Board;
“Effective Date”	in respect of each of the Properties the Transfer Date of that property;
“General Meeting”	the general meeting of the Trematon Shareholders to be held at the registered office of the Company, 3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001 at 10:00 on Thursday, 11 May 2017;
“GLA”	gross lettable area;
“IFRS”	International Financial Reporting Standards;
“Independent Reporting Accountants”	Mazars (practice number 900222);
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company incorporated under the laws of South Africa, licensed as an exchange under the Financial Markets Act, and listed on the JSE;
“Last Practicable Date”	the last practicable date prior to the finalisation of the Circular, being Thursday, 30 March 2017;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Mills Fitchett”	Mills Fitchett Magnus Penny & Wolffs trading as Magnus Penny Associates CC (Registration number CK2000/020267/23), a close corporation incorporated under the laws of South Africa, the employer of Michael Gibbons and Steven Wolffs, the professional valuers of the Properties;
“NAV”	net asset value;
“Notice of General Meeting”	the notice of General Meeting, forming part of this Circular;
“Own-name Registration”	the registration of Shareholders who have Dematerialised their Shares and are recorded by the CSDP on the sub-registered kept by that CSDP in the name of such Shareholder;
“Properties”	Erf 9673 and Erf 9674, Langebaan, the two immovable properties, known as Hobie Beach, Langebaan, detailed in paragraph 7 and <b>Annexure 5</b> to this Circular, to be disposed of by Club Mykonos Langebaan to West Coast Leisure in terms of the Disposal Agreement, referred to collectively;
“Property”	either Erf 9673 or Erf 9674, as the context may require;
“Property Lease Agreements”	the property lease agreements in respect of portions of Erf 9674, the details of which are set out in paragraph 7 and <b>Annexure 5</b> to this Circular;
“Rand” or “R”	South African Rand, the official currency of South Africa;
“Redefine Acquisition”	the acquisition of seven investment properties from Redefine Properties Limited, the details of which are set out in paragraph 13.3 of this Circular;

“Register”	the register of Certificated Shareholders maintained by the Transfer Secretaries and the sub-register of Dematerialised Shareholders maintained by the relevant CSDPs’;
“Sasfin”	Sasfin Capital, a division of Sasfin Bank Limited (Registration number 1951/002280/06), a public company incorporated under the laws of South Africa, the JSE sponsor to the Company;
“SAICA Guide”	the SAICA Guide on <i>pro forma</i> financial information issued by the South African Institute of Chartered Accountants;
“SARS”	the South African Revenue Services;
“SENS”	the Stock Exchange News Service of the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company incorporated under the laws of South Africa, a registered Central Securities Depository responsible for the electronic clearing and settlement system for transactions that take place on the JSE and off-market trades;
“Suikerbos Trust”	The Suikerbos Trust (Registration number IT6588/1991/PMB), a major Shareholder of Trematon;
“Transactions”	the Redefine Acquisition, the Casino Disposal and the Disposal, referred to collectively;
“Transfer Date”	the applicable date of registration of the transfer of each of the Properties into the name of West Coast Leisure, in accordance with the provisions of the Disposal Agreement and in terms of the legislation and regulations and the practice and rules of the office of the relevant Deeds Registry as defined in the Deeds Registry Act, 1937;
“Transfer Secretaries”	Link Market Services South Africa Proprietary Limited (Registration number 2000/007239/07), a private company incorporated under the laws of South Africa;
“Trematon” or “the Company”	Trematon Capital Investments Limited (Registration number 1997/008691/06), a public company incorporated under the laws of South Africa, the Shares of which are listed on the JSE;
“Trematon Group” or “the Group”	Trematon and all of its subsidiaries, referred to collectively;
“Trematon Scheme”	The Trematon Share Incentive Scheme;
“Trematon Shareholders” or “Shareholders”	Certificated, Dematerialised or Dematerialised Own-name holders of Trematon Shares;
“Trematon Shares” or “Shares”	ordinary shares with a par value of 1 cent each in the capital of the Company, of which there are 217 713 829 in issue at the last practicable date;
“Tsogo”	Tsogo Sun Holdings Limited (Registration number 1989/002108/06), a public company incorporated under the laws of South Africa, the Shares of which are listed on the JSE;
“Valuer”	the registered valuer employed by Mills Fitchett, who valued the Properties and whose report is annexed to this Circular;
“VAT”	value added tax; and
“West Coast Leisure”	West Coast Leisure Proprietary Limited (Registration number 1994/005194/07), a private company incorporated under the laws of South Africa, a wholly owned subsidiary of Tsogo.





## TREMATON CAPITAL INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/008691/06)

JSE share code: TMT ISIN: ZAE000013991

("Trematon" or "the Company")

---

### Directors

M Kaplan (*Independent Non-executive Chairman*)

JP Fisher (*Independent Non-executive Director*)

AM Louw (*Independent Non-executive Director*)

R Stumpf (*Non-executive Director*)

AJ Shapiro (*Chief Executive Officer*)

AL Winkler (*Chief Financial Officer*)

A Groll (*Executive Director*)

All Directors are South African.

---

## CIRCULAR TO TREMATON SHAREHOLDERS

### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the announcement released on SENS on 14 November 2016 wherein they were advised that Trematon had, via Club Mykonos Langebaan, entered into an agreement with Tsogo, the gaming, hotel and entertainment company, in terms of which Club Mykonos Langebaan disposed of its 29.64% interest in West Coast Leisure, which holds the West Coast Casino licence operated by Tsogo at Mykonos Casino for an aggregate consideration of R190 million. The transaction was categorised as a category 2 transaction in terms of the JSE Listings Requirements.
- 1.2 Trematon, via Club Mykonos Langebaan, has on 1 February 2017 entered into a further Disposal Agreement in terms of which it will dispose of the two immovable Properties situated adjacent to the Mykonos Casino, collectively known as Hobie Beach, Langebaan, to West Coast Leisure, which is now a wholly owned subsidiary of Tsogo, for an aggregate consideration of R30 million.
- 1.3 In terms of the aggregation rules of the JSE Listings Requirements, the Disposal constitutes a category 1 transaction and therefore requires the approval by Trematon Shareholders of an ordinary resolution at the General Meeting.
- 1.4 The purpose of this Circular is to provide Trematon Shareholders with relevant information regarding the Disposal in accordance with the JSE Listings Requirements to enable Shareholders to make an informed decision in respect of the resolutions authorising the Disposal.
- 1.5 Attached to this Circular is a Notice of General Meeting convening the General Meeting at the registered office of the Company, 3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001 at 10:00 on Thursday, 11 May 2017, at which the Shareholders will be requested to vote on the ordinary resolutions required to approve the Disposal on the terms and conditions set out in this Circular.

## 2. DESCRIPTION OF GROUP BUSINESS

- 2.1 Trematon is an investment holding company, which invests in assets which the Company believes to be undervalued and where the price at which it can gain control of the asset is at a discount to the price which can be realised in due course. The broad aim is to achieve an average internal rate of return of more than 20%.
- 2.2 Trematon owns certain operating businesses with stable income but these tend to be outweighed by investment activities during the year. Current management has been in place since 1 April 2005. In the past 11 years the Group has developed into a diversified investment holding company with a strong balance sheet and a resilient portfolio, consisting of, *inter alia*, the following:

- **Club Mykonos Langebaan**

Club Mykonos Langebaan is comprised of several distinct business areas as detailed below. It is situated in Langebaan in the Western Cape which is close to Saldanha Bay. It is firmly established as one of the favoured family holiday destinations in the country. The resort has been awarded a 4-star grading by the Tourism Grading Council of South Africa and has received industry awards and recognition as one of the top resorts in South Africa. Occupancies are among the highest in the country and the infrastructure is continually being improved. Brand loyalty to Club Mykonos Langebaan is very high and most visitors are repeat customers.

*Mykonos Casino* – The casino is operated by Tsogo Sun Holdings Limited in a separate area of the resort. Trematon has disposed of its casino interest as detailed in paragraph 1.1 of this Circular.

*The Marina* –The marina is a very sought-after yachting centre and berthing facilities are in high demand. Langebaan and the surrounding areas are gaining in popularity as a yachting and boating destination due to ideal sailing conditions and pressure on facilities in Cape Town. The continued investment in the marina has been well justified and it will remain a key asset of the resort.

*The Boatyard* – is the finest full service boat and general storage facility in the country. It consists of 251 garages of various sizes to cater for a wide range of users. The Boatyard also runs a retail facility and offers boating-related repairs and services. The final phase of the facility was constructed in 2016 and it is fully occupied.

*Rental of Commercial and Holiday Properties* – Club Mykonos Langebaan owns commercial properties that house restaurants, resort services and conference facilities. These commercial assets are leased out to operators who work with the resort to create attractive businesses, which cater to holidaymakers and the growing local market. These properties generate consistent and growing rental income for the Group as well as good profits for the operators.

- *Club Mykonos Development Opportunities* – The major future potential of the resort lies in the undeveloped land areas. Club Mykonos Resort has 362 completed residential units. These units are mainly owned by third parties and not by the development company. There is further capacity on the resort to develop up to 300 further residential units. The remaining zoned development land is in prime areas on, or close to, the water and has excellent potential for development. The latest project, Marina Village, which consists of 25 luxury waterfront units situated on the Marina is currently nearing completion and is sold out. Future development will be a combination of waterfront plots and holiday apartments.

- **Generation Education**

Generation Education is a 75% held investment in a grouping of schools with a modern approach to education that uses Montessori principles in the early years and an internationally accredited curriculum provided by Cambridge University in the higher grades. The first school (Generation Sunningdale) was built at the end of 2015 and opened its doors in 2016. The demand for places at the school has exceeded expectations and the school is currently undergoing a major expansion. Although the schools are priced to be affordable, the model has proved to be commercially viable and we will continue to invest in the business. Further schools are being developed or planned in Hermanus, Noordhoek and Melkbos, Western Cape.

- **Arbitrage Property Fund Proprietary Limited trading as Aria Property Fund (“Aria”)**

Aria is a 67% held property investment subsidiary that specialises in purchasing and holding institutional grade commercial, retail and industrial properties for rental income purposes with a focus on redeveloping or repositioning the properties to maximise long term value and in

order to earn good yields and capital growth. It has for some time been the stated objective of Trematon to grow this investment substantially. In 2016 Aria acquired a portfolio of properties from Redefine Properties Limited, thereby more than doubling the gross value of the portfolio. The portfolio comprises retail, industrial and commercial assets of which 80% are located in the Western Cape.

- **Resi Investment Group (“Resi”)**

Resi currently invests in and manages residential properties which have been purchased for both rental and capital growth. The portfolio remains focused in the Western Cape although opportunities further afield will be considered if they are large and attractive enough to justify the investment. Resi has also engaged in joint ventures with developers to construct apartments in selected nodes in Cape Town.

- **Joint Ventures and associates**

- The Vredenburg Property Trust (“VPT”)**

- VPT, a 50% joint venture of Aria Property Fund, owns the Vredenburg Mall in Vredenburg, Western Cape.

- Tremtrust 1 (50%)**

- Tremtrust, a 50% joint venture of Trematon owns the Northgate Park which is an A-Grade office park located on the N1 highway in Cape Town. The refurbishment and redevelopment of the property has been very successful and it is now fully tenanted.

- Buffshelf 70 Trust (20%)**

- Buffshelf in which Trematon holds a 20% interest, owns the Cape Gate Value Centre situated in Brackenfell, Cape Town.

- **Other investments**

Trematon has active trading and investment portfolios which focus on both listed and unlisted companies and holds minority stakes in a variety of such companies from time to time.

2.3 There have been no changes in controlling shareholder or trading objects of Trematon and its major subsidiaries during the five years preceding the date of this Circular.

### 3. **GROUP PROSPECTS**

All four major areas of operation (Aria, Resi, Club Mykonos and Generation Education) have made significant new investments and have good momentum for the forthcoming financial year.

Upon the successful conclusion of the acquisition of a property portfolio from Redefine Properties Limited in 2016, the Aria portfolio more than doubled in size and now exceeds R1 billion in high-quality institutional grade assets which provide a significant pipeline for valued added repurposing or redevelopment.

The Group will continue to explore opportunities and investigate future development possibilities at Club Mykonos Resort. Club Mykonos was previously the largest single component of the Group’s net asset value. Following the sale of the shares in the Mykonos Casino and the Properties known as Hobie Beach (which is the subject of this Circular) and the completion and sale of the Marina Village development, Club Mykonos will be a much smaller component of the Group’s net asset value although still material to the Group.

Resi’s strategy is to focus on the market segments above affordable housing in sought-after residential neighbourhoods. This market niche is management intensive and Resi has the skills to provide a highly desirable product at a competitive market rental.

Generation Education, although small as a proportion of the current net asset value of the Group, has excellent growth potential and the Group now owns four school sites with further sites under active investigation. Generation Education is likely to be one of the main focus areas going forward as the potential to roll out and expand the education business is attractive and expected to be profitable.

Trematon has a well-positioned portfolio of existing investments and sufficient balance sheet capacity to make material new investments should the opportunity arise.

## THE DISPOSAL

### 4. RATIONALE FOR THE DISPOSAL

- 4.1 The Disposal is in line with Trematon's stated strategy of actively pursuing investment opportunities with a real return profile comprising both yield and capital growth which together have the potential to achieve Trematon's internal rate of return targets.
- 4.2 The Consideration for the Disposal represents a good commercial return on the Properties when compared to the present value of servicing and developing that land. Club Mykonos Langebaan will retain sufficient development land in other areas of the Club Mykonos Resort to cater for its immediate development needs and will continue to own all of the remaining development land at the resort and most of the remaining commercial income-producing assets on the resort. This includes restaurants and conference facilities, a marina, a boat and general storage facility, residential units, shops and commercial assets.
- 4.3 After the Disposal, Trematon will have a more diversified investment portfolio. Prior to the disposals to Tsogo, the Group was predominantly exposed to the West Coast region around Langebaan. The Group's geographic focus remains in the Western Cape with some regional exposure to small coastal towns but has shifted more towards Cape Town and surrounds.

### 5. TERMS OF THE DISPOSAL

#### 5.1 Introduction

- 5.1.1 On 1 February 2017 Trematon, via Club Mykonos Langebaan, entered into the Disposal Agreements in terms of which Club Mykonos Langebaan will dispose of the Properties for the aggregate Consideration of R30 000 000 to West Coast Leisure.
- 5.1.2 The subject matter of the Disposal is two immovable properties adjacent to the Mykonos Casino at the Mykonos Resort. One of the Properties consists of vacant land, while the other Property houses temporary structures which are rented to restaurant operators. The disposal includes the revenue streams associated therewith, which include the fixed assets on that Property and the rights in terms of Property Lease Agreements in respect of that Property.
- 5.1.3 The Properties are acquired in one indivisible transaction.
- 5.1.4 Particulars regarding the Properties appear in paragraph 7 and **Annexures 5** to this Circular.

#### 5.2 Consideration

The aggregate Consideration for the Disposal Portfolio is R30 000 000 and is allocated as set out in paragraph 7 below. The Consideration is payable in cash on the Effective Date. The proceeds of the Disposal will be utilised to grow current business operations as well as retain cash reserves to enable the Group to take advantage of any investment opportunities that may arise in the near future.

#### 5.3 Effective Date

The Effective Date of the Disposal is the Transfer Date of each of the properties.

#### 5.4 Warranties

- 5.4.1 The Disposal Agreement contains such warranties and indemnities as are usual in property transactions of this nature.
- 5.4.2 Subject to the warranties provided in the Disposal Agreement the Properties are sold voetstoots.

## 6. CONDITIONS PRECEDENT TO THE DISPOSAL

In terms of the Disposal Agreement the Disposal will be subject to, *inter alia*, the Conditions Precedent, that the Disposal:

- 6.1 shall be approved by Shareholders at the General Meeting; and
- 6.2 shall be approved in writing by the board of directors of the Club Mykonos Langebaan Home Owners Association and a clearance certificate shall be issued to WC Leisure in terms of the memorandum of incorporation of that Home Owners Association, which is expected to occur on or before 1 April 2017.

## 7. DETAILS OF THE PROPERTIES AND VALUATION REPORTS

The Properties comprise the following immovable properties, the buildings and fixed assets thereon and the Property Lease Agreements in respect thereof. Details of each Property, including, *inter alia*, the property description, title deed number, sector and GLA are set out below:

Property description	Title Deed number and sector	Extent	Ownership	GLA	Allocated purchase consideration	Market value in valuation report
Erf 9674, Langebaan, situate in the Langebaan Municipality, Malmesbury Registration Division, Western Cape Province	T45469/2008 Resort Residential and Business	2.82 hectares	Freehold	1 650m <sup>2</sup>	R25 000 000	R25 300 000
Erf 9673, Langebaan, situate in the Langebaan Municipality, Malmesbury Registration Division, Western Cape Province	T45468/2008 Resort Residential and Business	8 672m <sup>2</sup>	Freehold	Vacant land	R5 000 000	R5 400 000
					<b>R30 000 000</b>	<b>R30 700 000</b>

The Abridged Valuations on the Properties are set out in **Annexure 5** to this Circular. The detailed valuation reports are available for inspection as detailed in paragraph 21 below.

The total market value of the Properties in terms of the valuation reports of the Valuers is R30 700 000. The difference between the market value and the Consideration of the Properties is attributable to the negotiation between the parties which took the earlier disposal of the interest in West Coast Leisure to Tsogo, detailed in paragraph 1.1 above, into consideration.

## 8. FINANCIAL INFORMATION

### 8.1 Historical financial information

A report of historical financial information of the Properties, showing the results of the Properties for the financial years ended 31 August 2014, 31 August 2015 and 31 August 2016 is presented in **Annexure 3** to this Circular and is the responsibility of the Directors.

The report of the Independent Reporting Accountants on the report of historical financial information on the Properties Disposal Portfolio is presented in **Annexure 4** to this Circular.

## 8.2 *Pro forma* financial effects

The table below illustrates the *pro forma* financial effects of the Disposal based on the Company's audited results for the year ended 31 August 2016. The preparation of the *pro forma* financial effects is the responsibility of the Directors of Trematon. The *pro forma* financial effects have been prepared for illustrative purposes only to provide information on how the Disposal may have impacted on Trematon's financial performance and position and, due to the nature thereof, may not give a fair reflection of Trematon's financial performance and position. The reporting accountants' limited assurance report on the *pro forma* financial information contained in this Circular is set out in **Annexure 2** to this Circular.

The *pro forma* financial information has been compiled using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated annual financial statements of Trematon for the year ended 31 August 2016. The *pro forma* figures have been given no greater prominence than unadjusted financial figures, and are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.

The *pro forma* consolidated statement of comprehensive income and statement of financial position, after the transactions, are set out in **Annexure 1** to this Circular. The Reporting Accountants' report on the *pro forma* information is set out in **Annexure 2** to this Circular.

	Before Transactions	<i>Pro forma</i> Adjustment – Redefine Acquisition <sup>(2)</sup>	<i>Pro forma</i> Adjustment – Casino Disposal <sup>(3)</sup>	Revised opening balance post Redefine Acquisition and Casino Disposal <sup>(4)</sup>	<i>Pro forma</i> adjustments	After the Transactions
Gross number of shares in issue	217 713 829	217 713 829	217 713 829	217 713 829	217 713 829	217 713 829
Weighted average number of shares in issue	216 964 384	216 964 384	216 964 384	216 964 384	216 964 384	216 964 384
Diluted weighted average number of shares in issue	234 753 255	234 753 255	234 753 255	234 753 255	234 753 255	234 753 255
Basic earnings per share (cents)	22.8	(21.2)	476	49.2	8.9	58.2
Diluted earnings per share (cents)	21.1	(19.6)	44.0	45.5	8.3	53.8
Headline earnings per share (cents)	1.7	(4.3)	(0.6)	(3.2)	8.9	5.7
Diluted headline earnings per share (cents)	1.6	(4.0)	(0.5)	(3.0)	8.3	5.3
Net asset value per share (cents)	255	5	43	304	9	313
Tangible net asset value per share (cents)	255	5	43	304	9	313

### Notes and assumptions:

1. The "Before Transactions" column is based on the published audited financial information of Trematon for the year ended 31 August 2016, as released on SENS on 14 November 2016. The *pro forma* Statement of Financial Position figures have been based on the assumption that the acquisition and disposals had taken place on 31 August 2016. The *pro forma* Statement of Comprehensive Income figures illustrate the possible financial effects as if the Disposal had taken place on 1 September 2015.
2. The "*Pro forma* Adjustment – Redefine Acquisition" is the acquisition of seven investment properties from Redefine Properties Limited as detailed in paragraph 13.3 of this Circular. The Redefine Acquisition was a category 1 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company which it would be misleading to exclude from the *pro forma* financial information of the Disposal. During the compilation of these *pro forma* financial effects it was discovered that the *pro forma* financial information of the Redefine Acquisition which was published in the circular to shareholders dated 15 December 2016 contains certain errors. The corrections of these errors are detailed at the end of **Annexure 1** to this Circular.
3. The "*Pro forma* Adjustment – Casino Disposal" is the disposal of the interest in West Coast Leisure by Club Mykonos Langebaan to Tsogo detailed in paragraphs 1.1 and 13.4 of this Circular. The Casino Disposal was a category 2 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company, which it would be misleading to exclude from the *pro forma* financial information of the Disposal.

4. Represents the aggregated total of the before Transactions and the Redefine Acquisition and Casino Disposal *pro forma* adjustments as detailed in 13.3 and 13.4 of this Circular.
5. Included in revenue is the sale of inventory, interest earned at a rate of 7% for cash received from the Disposal and the reversal of revenue amounting to R1.4 million that would have been earned if the inventory had not been sold.
6. Once-off transaction costs of R700 000 have been incurred in respect of the Disposal. These are inclusive of VAT (as Trematon is not registered as a VAT vendor and is therefore not in a position to claim the related input tax credits) and have been assumed to be non-tax deductible. The costs have been charged to profit or loss. Included in this amount is the reversal of costs amounting to R0.2 million that would have been incurred if the inventory had not been sold.
7. Current tax has been provided for on the net profit earned from the transaction, on the assumption that it occurred at the beginning of the year. The deferred tax liability raised at the date Trematon acquired control of Club Mykonos Langebaan has been reversed and the adjustment is recognised in profit and loss.

## GENERAL INFORMATION

### 9. GENERAL MEETING

A General Meeting of Trematon Shareholders will be held at Trematon's registered office, 3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001, on Thursday, 11 May 2017 commencing at 10:00, to consider and, if deemed fit, to pass, with our without modification, the ordinary resolutions set out in the Notice of General Meeting attached to this Circular.

### 10. DETAILS OF DIRECTORS

The full details of the Directors, and their interests in the Disposal are set out in **Annexure 6** to this Circular.

### 11. MAJOR SHAREHOLDERS

The major Shareholders of Trematon who, as at the Last Practicable Date, were beneficially interested, directly or indirectly, in 5% or more of the issued share capital of the Company, are set out below:

Shareholder	Shareholding	% <sup>4</sup>
The Suikerbos Trust <sup>1</sup>	66 107 160	30.11
The Armchair Trust <sup>2</sup>	46 550 000	21.20
Buff-Shares <sup>3</sup>	19 019 803	8.66
<b>Total</b>	<b>131 676 963</b>	<b>59.98</b>

<sup>1</sup>The trustees of Suikerbos Trust are Buffet Trustees Proprietary Limited and the trust is a discretionary trust.

<sup>2</sup>The trustees of Armchair Trust are A Groll and D Kretzmar. The beneficiaries of Armchair Trust are family members of A Groll and their family trusts.

<sup>3</sup>AJF Mundell is the director of Buff-Shares and The Fynbos Trust, a discretionary trust, is the sole shareholder.

<sup>4</sup>Measured against 219 544 100 Trematon shares in issue as at the Last Practicable Date.

### 12. MATERIAL BORROWINGS

There will be no change to the details of material loans made to Trematon and/or to any of its subsidiaries as a result of the Disposal.

### 13. MATERIAL CONTRACTS

As at the Last Practicable Date, there have been no material contracts entered into, either verbally or in writing, by Trematon or any of its subsidiaries, including Club Mykonos Langebaan in respect of the Properties, being restrictive funding arrangements and/or a contract entered into otherwise than in the ordinary course of the business carried on by the Trematon Group: and:

- (a) entered into within the two years prior to the date of this Circular; or
- (b) entered into at any time and containing an obligation or settlement that is material to the Trematon Group at the date of this Circular,

other than the Disposal Agreement and the following material contracts:

- 13.1 On 31 March 2015 Trematon announced on SENS that it had, via Aria Property Fund, acquired a portfolio of three commercial properties from Redefine for an aggregate purchase price of R203 186 000. This category 2 Disposal became effective during the 2015 financial year.

- 13.2 On 30 September 2016 Trematon entered into a 50:50 joint venture with a consortium of unrelated investors to purchase residential property units in Sanddrift, Cape Town to the value of R83 million. The majority of Trematon's portion of the purchase price is funded by a bank loan.
- 13.3 On 26 October 2016 Trematon, via Aria Property Fund, its 67% held subsidiary, entered into acquisition agreements in terms of which it acquired a property portfolio of seven immovable properties, for an aggregate purchase consideration of R614 100 000, from Redefine Properties Limited. The acquisition constituted a category 1 transaction and was detailed in a circular to shareholders dated 15 December 2016 and approved by shareholders at a general meeting of the Company held on 20 January 2017.
- 13.4 On 14 November 2016 Trematon announced on SENS that it had, via Club Mykonos Langebaan, its wholly owned subsidiary, entered into an agreement to dispose of its interest in West Coast Leisure Proprietary Limited to Tsogo Sun Holdings Limited for a consideration of R190 000 000.

#### 14. MATERIAL CHANGES

As at the Last Practicable Date, and having regard to the effects of the Disposal detailed in this Circular and the effects of the material contracts detailed in paragraphs 13.3 and 13.4 above, there have been no material changes in the financial or trading position of the Trematon Group or that of the Properties, since the publication of Trematon's audited results for the year ended 31 August 2016.

#### 15. ADEQUACY OF CAPITAL STATEMENT

The Directors are of the opinion that the working capital available to the Trematon Group is sufficient for the Trematon Group's present working capital requirements and will, after the implementation of the Disposal, be adequate for at least 12 months from the date of issue of this Circular.

#### 16. LITIGATION STATEMENT

The Directors of Trematon are not aware of any legal or arbitration proceedings (including any such proceedings that are pending or threatened), involving the Trematon Group or the Disposal Portfolio, which may have, or have had, a material effect on the Trematon Group's financial position during the last 12 months preceding the date of this Circular.

#### 17. EXPENSES

The estimated costs of the Disposal, which costs shall be borne by the Company, are approximately R700 000 excluding VAT. This amount is allocated as follows:

Name	R'000
Sasfin Capital – JSE sponsor	350
Mazars – reporting accountants	70
Mills Fitchett – valuers	5
Bernadt Vukic Potash & Getz – Legal adviser	30
JSE documentation fee	48
Announcement publication costs	50
Printing	125
Miscellaneous and contingencies	22
<b>Total</b>	<b>700</b>

Trematon has incurred no preliminary expenses in relation to the Disposal during the three years preceding this Circular.

#### 18. DIRECTORS' OPINION, RECOMMENDATION AND UNDERTAKINGS

The Board has considered the terms and conditions of the Disposal and is of the opinion that the terms and conditions thereof are beneficial to Trematon Shareholders, and recommends that Trematon Shareholders vote in favour of the resolutions approving the Disposal at the General Meeting. All the Directors who own Trematon Shares in their personal capacity, and are able to vote, intend voting in favour of the Disposal at the General Meeting.



## 19. SHAREHOLDER IRREVOCABLE UNDERTAKINGS

The following Trematon Shareholders holding 64.4% of Trematon's issued share capital have irrevocably undertaken to vote in favour of the Disposal at the General Meeting.

Shareholder	Number shares	% <sup>1</sup>
Armchair Trust	46 550 000	21.38
The Suikerbos Trust	66 107 160	30.36
Buff-Shares	19 019 803	8.73
Salvete Trust	9 250 243	4.25
		<b>64.71</b>

<sup>1</sup>Measured against 217 771 329 Trematon shares in issue, which excludes 1 772 771 treasury shares currently held by the Group.

The irrevocable undertakings are available for inspection in terms of paragraph 22 below.

## 20. ADVISERS' CONSENTS

Each of Sasfin, Mazars, Mills Fitchett, Bernadt Vukic Potash & Getz and the Transfer Secretaries has provided their written consent to the inclusion of their names and, where applicable, their reports in the form and context in which they appear in this Circular and have not withdrawn their consent prior to the publication of this Circular.

## 21. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors of Trematon, whose names are provided on page 7 of this Circular accept, collectively and individually, full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by the Listings Requirements.

## 22. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of this Circular will be available in English, along with the following documents, or copies thereof, which will be available for inspection, during normal business hours at the registered office of Trematon and the office of Sasfin, from the date of this Circular up to and including the date of the General Meeting:

- the Memorandum of Incorporation of Trematon and its subsidiaries;
- Trematon's audited financial statements (Company and Group) for the years ended 31 August 2014, 2015 and 2016;
- the written consents of the appointed professional advisers as set out in paragraph 20 above;
- the signed reporting accountants' limited assurance report on the *pro forma* financial information of Trematon as set out in **Annexure 1** to this Circular;
- the signed reporting accountants' report on the report of historical financial information of the Properties as set out in **Annexure 3** to this Circular;
- the detailed valuation report/s on the Properties;
- the material contracts referred to in paragraph 14 above;
- the irrevocable undertakings referred to in paragraph 19 above;
- a signed copy of this Circular; and
- signed copies of the Disposal Agreement.

Signed on behalf of all of the Directors of Trematon in terms of powers of attorney granted to them on 6 April 2017.

*Director*  
who warrant that they are duly authorised thereto.  
Cape Town

*Director*

---

**PRO FORMA FINANCIAL INFORMATION OF TREMATON**

---

The *pro forma* statement of comprehensive income and statement of financial position have been presented for illustrative purposes only to provide information on how the Disposal may have impacted on Trematon's financial performance and financial position and, due to the nature thereof, may not give a fair reflection of Trematon's results, financial position and changes in equity after the Disposal. It has been assumed for purposes of the *pro forma* financial information that the transaction took place with effect from 1 September 2015 for statement of comprehensive income purposes and 31 August 2016 for statement of financial position purposes. The Directors of Trematon are responsible for the preparation of the *pro forma* statement of comprehensive income and statement of financial position.

The *pro forma* financial information has been compiled using accounting policies that comply with IFRS and that are consistent with those applied in the audited consolidated annual financial statements of Trematon for the year ended 31 August 2016. The *pro forma* figures have been given no greater prominence than unadjusted financial figures, and are presented in a manner consistent with both the format and accounting policies adopted in the historical financial information and adjustments have been quantified on the same basis as would normally be calculated in preparing financial statements.

The reporting accountants' report on the *pro forma* statement of comprehensive income and statement of financial position is set out in **Annexure 2** to this Circular.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Before Transactions <sup>(2)</sup>	Pro forma Adjustment – Redefine Acquisition <sup>(3)</sup>	Pro forma Adjustment – Casino Disposal <sup>(4)</sup>	Revised opening balance post Redefine Acquisition and Casino Disposal <sup>(5)</sup>	Pro forma adjustments – Disposal	After the Transactions
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	37 359 195	–	–	37 359 195	–	37 359 195
Investment properties	822 225 093	628 655 000	–	1 450 880 093	–	1 450 880 093
Investments	107	–	–	107	–	107
Investments in joint ventures	37 617 013	–	–	37 617 013	–	37 617 013
Investments in associate entities	99 042 904	– <sup>6</sup>	(97 040 807)	2 002 097	–	2 002 097
Deferred tax asset	4 944 604	–	–	4 944 604	–	4 944 604
Loans receivable	22 903 121	–	–	22 903 121	–	22 903 121
	1 024 092 037	628 655 000	(97 040 807)	1 555 706 230	–	1 555 706 230
<b>Current assets</b>						
Investments	13 905 438	–	–	13 905 438	–	13 905 438
Loans receivable	10 376 931	–	–	10 376 931	–	10 376 931
Trade and other receivables	8 515 256	–	–	8 515 256	–	8 515 256
Inventories	101 212 845	–	–	101 212 845 <sup>9</sup>	(3 000 000)	98 212 845
Cash and cash equivalents	32 559 584	– <sup>7</sup>	190 750 957	223 310 541 <sup>9</sup>	34 200 000	257 510 541
Current tax assets	1 841	–	–	1 841	–	1 841
	166 571 895	–	190 750 957	357 322 852	31 200 000	388 522 852
<b>Total assets</b>	<b>1 190 663 932</b>	<b>628 655 000</b>	<b>93 710 150</b>	<b>1 913 029 082</b>	<b>31 200 000</b>	<b>1 944 229 082</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital and share premium	322 706 428	–	–	322 706 428	–	322 706 428
Treasury shares	(2 558 722)	–	–	(2 558 722)	–	(2 558 722)
Share-based payment reserve	8 999 433	–	–	8 999 433	–	8 999 433
Convertible debentures	–	–	–	–	–	–
Fair value reserve	12 388 375	–	–	12 388 375	–	12 388 375
Accumulated profit	214 654 978	11 294 680 <sup>9</sup>	93 710 150	319 659 808	19 440 000	339 099 808
<b>Total equity attributable to equity holders of the parent</b>	<b>556 190 492</b>	<b>11 294 680</b>	<b>93 710 150</b>	<b>661 195 322</b>	<b>19 440 000</b>	<b>680 635 322</b>
<b>Non-controlling interest</b>	<b>45 031 874</b>	<b>–</b>	<b>–</b>	<b>45 031 874</b>	<b>–</b>	<b>45 031 874</b>
	<b>601 222 366</b>	<b>11 294 680</b>	<b>93 710 150</b>	<b>706 227 196</b>	<b>19 440 000</b>	<b>725 667 196</b>
<b>LIABILITIES</b>						
<b>Non-current liabilities</b>						
Loans payable	444 178 811	614 100 000	–	1 058 278 811	–	1 058 278 811
Deferred tax liability	48 573 617	3 260 320	–	51 833 937 <sup>10</sup>	(811 312)	51 022 625
	492 752 428	617 360 320	–	1 110 112 748	(811 312)	1 109 301 436
<b>Current liabilities</b>						
Loans payable	61 145 096	–	–	61 145 096	–	61 145 096
Current tax liabilities	1 916 202	–	–	1 916 202 <sup>10</sup>	8 371 312	10 287 514
Trade and other payables	33 627 840	–	–	33 627 840 <sup>11</sup>	4 200 000	37 827 840
	96 689 138	–	–	96 689 138	12 571 312	109 260 450
<b>Total liabilities</b>	<b>589 441 566</b>	<b>617 360 320</b>	<b>–</b>	<b>1 206 801 886</b>	<b>11 760 000</b>	<b>1 218 561 886</b>
<b>Total equity and liabilities</b>	<b>1 190 663 932</b>	<b>628 655 000</b>	<b>93 710 150</b>	<b>1 913 029 082</b>	<b>31 200 000</b>	<b>1 944 229 082</b>

**Notes and assumptions:**

1. The *pro forma* Statement of Financial Position figures have been based on the assumption that the acquisition and disposals had taken place on 31 August 2016.
2. The "*Before Transactions*" column is based on the published audited financial information of Trematon for the year ended 31 August 2016, as released on SENS on 14 November 2016.
3. The "*Pro forma Adjustment – Redefine Acquisition*" is the acquisition of seven investment properties from Redefine Properties Limited as detailed in paragraph 13.3 of this Circular. The Redefine Acquisition was a category 1 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company, which it would be misleading to exclude from the *pro forma* financial information of the Disposal.
4. The "*Pro forma Adjustment – Casino Disposal*" is the disposal of the interest in West Coast Leisure by Club Mykonos Langebaan to Tsogo detailed in paragraphs 1.1 and 13.4 of this Circular. The Casino Disposal was a category 2 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company, which it would be misleading to exclude from the *pro forma* financial information of the Disposal.
5. Represents the aggregated total of the audited financial information of Trematon for the year ended 31 August 2016 and the two *pro forma* adjustments as detailed in 13.3 and 13.4 of this Circular.
6. Represents the derecognition of the carrying value of West Coast Leisure at the date of disposal.
7. Represents the consideration received for the disposal of West Coast Leisure.
8. Represents the net realised profit from the disposal of West Coast Leisure. There is no tax effect as the consideration is considered to be a dividend received in terms of the Income Tax Act, and is exempt in terms of S64F.
9. Represents the Disposal for R34.2 million (including VAT), comprising the consideration for all Properties as listed in this Circular with a cost of R3 million accounted for as inventory. The cost of R3 million represents the fair value of the land at the date Trematon acquired control of Club Mykonos Langebaan.
10. Tax effects on the sale of inventory (at the current tax rate) and reduction of deferred tax liability raised at the date Trematon acquired control of Club Mykonos Langebaan.
11. Output VAT effect on the sale of inventory amounting to R4.2 million.

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Before Transactions	Pro forma adjustment – Redefine Acquisition <sup>(2)</sup>	Pro forma adjustment – Casino Disposal <sup>(3)</sup>	Revised opening balance post Redefine Acquisition and Casino Disposal <sup>(4)</sup>	Pro forma adjustments	After the Transactions
<b>Revenue</b>	132 644 204	126 151 689 <sup>7</sup>	13 352 567	272 148 460 <sup>10</sup>	30 671 832	302 820 292
Total realised profit	3 390 594	8	104 531 079	107 921 673	–	107 921 673
Total profit from fair value adjustments	61 101 770	(70 646 722)	–	(9 544 952)	–	(9 544 952)
Employee benefits	(23 475 958)	–	–	(23 475 958)	–	(23 475 958)
Cost of property and land sold	(10 061 584)	–	–	(10 061 584)	(3 000 000)	(13 061 584)
Other operating expenses	(52 854 210)	(50 474 168)	–	(103 328 378)	(478 048)	(103 806 426)
<b>Operating profit</b>	110 744 816	5 030 799	117 883 646	233 659 261 <sup>11</sup>	27 193 784	260 853 045
Finance costs	(47 579 797)	(62 395 900)	–	(109 975 697)	–	(109 975 697)
Profit from equity accounted investments (net of tax)	20 825 120	– <sup>9</sup>	(10 820 929)	10 004 191	–	10 004 191
<b>Profit before income tax</b>	83 990 139	(57 365 101)	107 062 717	133 687 755	27 193 784	160 881 539
Income tax	(22 335 535)	(11 569 537) <sup>7</sup>	(3 738 719)	(37 643 791) <sup>12</sup>	(7 810 260)	(45 454 051)
<b>Profit for the year</b>	<b>61 654 604</b>	<b>(68 934 638)</b>	<b>103 323 998</b>	<b>96 043 964</b>	<b>19 383 524</b>	<b>115 427 488</b>
<b>Other comprehensive income for the year</b>	<b>1 066 261</b>	<b>–</b>	<b>–</b>	<b>1 066 261</b>	<b>–</b>	<b>1 066 261</b>
<b>Total comprehensive income for the year</b>	<b>62 720 865</b>	<b>(68 934 638)</b>	<b>103 323 998</b>	<b>97 110 225</b>	<b>19 383 524</b>	<b>116 493 749</b>
<b>Profit attributable to:</b>						
Equity holders of the parent	49 503 688	(45 979 404)	103 323 998	106 848 283	19 383 524	126 231 807
Non-controlling interests	12 150 916 <sup>5</sup>	(22 955 234)	–	(10 804 318)	–	(10 804 318)
	<b>61 654 604</b>	<b>(68 934 638)</b>	<b>103 323 998</b>	<b>96 043 964</b>	<b>19 383 524</b>	<b>115 427 488</b>
<b>Total comprehensive income attributable to:</b>						
Equity holders of the parent	50 569 949	(45 979 404)	103 323 998	107 914 544	19 383 524	127 298 068
Non-controlling interests	12 150 916	(22 955 234)	–	(10 804 318)	–	(10 804 318)
	<b>62 720 865</b>	<b>(68 934 638)</b>	<b>103 323 998</b>	<b>97 110 225</b>	<b>19 383 524</b>	<b>116 493 749</b>
<b>RECONCILIATION OF HEADLINE EARNINGS</b>						
Profit attributable to equity holders of the parent	49 503 688	(45 979 404)	103 323 998	106 848 283	19 383 524	126 231 807
<i>Headline earnings adjustments:</i>						
Fair value adjustments on investment properties	(37 284 885) <sup>6</sup>	36 566 178	–	(718 707)	–	(718 707)
Fair value adjustments within equity accounted profits	(8 522 136)	–	–	(8 522 136)	–	(8 522 136)
Realised profit on sale of property, plant and equipment	(46 447)	–	–	(46 447)	–	(46 447)
Realised profit on sale of associate	–	–	(104 531 079)	(104 531 079)	–	(104 531 079)
<b>HEADLINE EARNINGS</b>	<b>3 650 220</b>	<b>(9 413 225)</b>	<b>(1 207 081)</b>	<b>(7 189 374)</b>	<b>19 383 524</b>	<b>12 413 438</b>

	Before Transactions	Pro forma adjustment – Redefine Acquisition <sup>(2)</sup>	Pro forma adjustment – Casino Disposal <sup>(3)</sup>	Revised opening balance post Redefine Acquisition and Casino Disposal <sup>(4)</sup>	Pro forma adjustments	After the Transactions
<b>SUPPLEMENTARY INFORMATION</b>						
Gross number of shares in issue	217 713 829	217 713 829	217 713 829	217 713 829	217 713 829	217 713 829
Weighted average number of shares in issue	216 964 384	216 964 384	216 964 384	216 964 384	216 964 384	216 964 384
Diluted weighted average number of shares in issue	234 753 255	234 753 255	234 753 255	234 753 255	234 753 255	234 753 255
Basic earnings per share (cents)	22.8	(21.2)	47.6	49.2	8.9	58.2
Diluted earnings per share (cents)	21.1	(19.6)	44.0	45.5	8.3	53.8
Headline earnings per share (cents)	1.7	(4.3)	(0.6)	(3.2)	8.9	5.7
Diluted headline earnings per share (cents)	1.6	(4.0)	(0.5)	(3.0)	8.3	5.3
Net asset value per share (cents)	255	5	43	304	9	313
Tangible net asset value per share (cents)	255	5	43	304	9	313

**Notes and assumptions:**

1. The *pro forma* Statement of Comprehensive Income figures illustrate the possible financial effects as if the Disposal had taken place on 1 September 2015.
2. The “*Pro forma Adjustment – Redefine Acquisition*” is the acquisition of seven investment properties from Redefine Properties Limited as detailed in paragraph 13.3 of this Circular. The Redefine Acquisition was a category 1 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company which it would be misleading to exclude from the *pro forma* financial information of the Disposal.
3. The “*Pro forma Adjustment – Casino Disposal*” is the disposal of the interest in West Coast Leisure by Club Mykonos Langebaan to Tsogo detailed in paragraphs 1.1 and 13.4 of this Circular. The Casino Disposal was a category 2 transaction in terms of the Listings Requirements of the JSE and has a material financial impact on the results of the Company, which it would be misleading to exclude from the *pro forma* financial information of the Disposal.
4. Represents the aggregated total of the before transactions and the two *pro forma* adjustments as detailed in 13.3 and 13.4 of this Circular.
5. The profit attributable to the non-controlling interest represents their 33.3% share in *pro forma* adjustment loss for the year.
6. Represents the gross fair value adjustment on investment properties net of tax at the CGT rate and non-controlling interest’s share.
7. Included in revenue is interest earned at a rate of 7% for cash received from the disposal of West Coast Leisure. Current tax has been provided for the interest earned.
8. Represents the net realised profit from the disposal of West Coast Leisure. There is no tax effect as the consideration is considered to be a dividend received in terms of the Income Tax Act, and is exempt in terms of 64F.
9. Represents the reversal of the equity accounted profits earned from West Coast Leisure for the period 1 September 2015 to 31 August 2016.
10. Included in revenue is the sale of inventory, interest earned at a rate of 7% for cash received from the Disposal and the reversal of revenue amounting to R1.4 million that would have been earned if the inventory had not been sold.
11. Once-off transaction costs of R700 000 have been incurred in respect of the Disposal. These are inclusive of VAT (as Trematon is not registered as a VAT vendor and is therefore not in a position to claim the related input tax credits) and have been assumed to be non-tax deductible. The costs have been charged to profit or loss. Included in this amount is the reversal of costs amounting to R0.2 million that would have been incurred if the inventory had not been sold.
12. Current tax has been provided for on the net profit earned from the transaction, on the assumption that it occurred at the beginning of the year. The deferred tax liability raised at the date Trematon acquired control of Club Mykonos Langebaan has been reversed and the adjustment is recognised in profit and loss.

**CORRECTION OF PRO FORMA FINANCIAL INFORMATION ON REDEFINE ACQUISITION AS PUBLISHED IN CIRCULAR DATED 15 DECEMBER 2016**

	<b>After Redefine Acquisition Per circular published</b>	<b>After Redefine Acquisition corrected amounts</b>	<b>Difference</b>
<b>Revenue</b>	258 795 893	258 795 893	–
<b>Total realised profit</b>	3 390 594	3 390 594	–
<b>Total profit from fair value adjustments</b>	(24 099 952)	(9 544 952) <sup>4</sup>	14 555 000
Other operating expenses	(136 865 920)	(136 865 920)	–
<b>Operating profit</b>	115 775 615	115 775 615	–
Finance costs	(109 975 697)	(109 975 697)	–
Profit from equity accounted investments (net of tax)	20 825 120	20 825 120	–
<b>Profit before income tax</b>	26 625 038	26 625 038	–
Income tax	(18 080 206)	(33 905 072) <sup>5</sup>	(15 824 866)
<b>Profit for the year</b>	<b>8 544 832</b>	<b>(7 280 034)<sup>5</sup></b>	<b>(15 824 866)</b>
<b>Other comprehensive income for the year</b>	<b>1 066 261</b>	<b>1 066 261</b>	–
<b>Total comprehensive income for the year</b>	<b>9 611 093</b>	<b>(6 213 773)<sup>5</sup></b>	<b>(15 824 866)</b>
<b>Profit attributable to:</b>			
Equity holders of the parent	(1 519 968)	3 524 284 <sup>5, 6</sup>	5 044 252
Non-controlling interests	10 064 800	(10 804 318) <sup>6</sup>	(20 869 118)
	<b>8 544 832</b>	<b>(7 280 034)</b>	<b>(15 824 866)</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent	(453 707)	4 590 545 <sup>5, 6</sup>	5 044 252
Non-controlling interests	10 064 800	(10 804 318) <sup>6</sup>	(20 869 118)
	<b>9 611 093</b>	<b>(6 213 773)</b>	<b>(15 824 866)</b>
<b>RECONCILIATION OF HEADLINE EARNINGS</b>			
Profit attributable to equity holders of the parent	(1 519 968)	3 524 284 <sup>5, 6</sup>	5 044 252
<i>Headline earnings adjustments:</i>			
Fair value adjustments on investment properties	76 601 872	(718 707) <sup>7</sup>	(77 320 579)
Fair value adjustments within equity accounted profits	(8 522 136)	(8 522 136)	–
Realised profit on sale of property, plant and equipment	(46 447)	(46 447)	–
<b>HEADLINE EARNINGS</b>	<b>51 958 321</b>	<b>(5 763 005)</b>	<b>(57 721 326)</b>
<b>SUPPLEMENTARY INFORMATION</b>			
Gross number of shares in issue	219 486 600	217 713 829 <sup>8</sup>	(1 772 771)
Weighted average number of shares in issue	216 964 384	216 964 384	–
Diluted weighted average number of shares in issue	234 753 255	234 753 255	–
Basic earnings per share (cents)	(0.7)	1.6 <sup>5, 6</sup>	2.3
Diluted earnings per share (cents)	(0.7)	1.5 <sup>5, 6</sup>	2.2
Headline earnings per share (cents)	23.9	(2.7) <sup>5, 6, 7</sup>	(26.6)
Diluted headline earnings per share (cents)	22.1	(2.5) <sup>5, 6, 7</sup>	(24.6)
Net asset value per share (cents)	255	260 <sup>9</sup>	5

**Notes and assumptions:**

1. The "*After Redefine Acquisition per circular published*" column contains the *pro forma* figures published in respect of the Redefine Acquisition in the circular to Shareholders dated 15 December 2016.
2. The "*After Redefine Acquisition corrected amounts*" column contains the corrected figures used in the *pro forma* financial information on the Disposal in this Circular and **Annexure 1**.
3. The "*Difference*" column contains the difference between the previously published and the corrected figures where applicable.
4. Difference due to a casting error noted on total profit from fair value adjustments in the "*After Redefine Acquisition per circular published*" column.
5. Difference due to the deferred tax expense being incorrectly excluded from the "*After Redefine Acquisition per circular published*" column.
6. Difference noted on the calculation of non-controlling interest. The "*After Redefine Acquisition corrected amounts*" column represents 33.3% of profit attributable to the non-controlling interest.
7. Difference noted on calculation of the fair value adjustment on investment properties reconciliation. The "*After Redefine Acquisition corrected amounts*" column represents the gross fair value adjustment on investment properties net of tax at the CGT rate and 33.3% attributable to non-controlling interest's share.
8. Difference represents treasury shares.
9. Difference due to a casting error noted on net asset value per share calculation in the "*After Redefine Acquisition per circular published*" column.



---

## REPORTING ACCOUNTANTS' REPORT ON *PRO FORMA* FINANCIAL INFORMATION

---

The Directors  
Trematon Capital Investments Limited  
3rd Floor  
North Wharf  
42 Hans Strijdom Avenue  
Cape Town  
8001

31 March 2017

### **Report on the Compilation of *Pro Forma* Financial Information of Trematon Capital Investments Limited**

The definitions and interpretations commencing on page 4 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this report.

We have completed our assurance engagement to report on the compilation of the *pro forma* earnings and diluted earnings, headline and diluted headline earnings and net asset value per share of Trematon Capital Investments Limited (Trematon), the *pro forma* statement of financial position of Trematon, the *pro forma* statement of comprehensive income of Trematon and the related notes (collectively "***Pro forma Financial Information***"). The *Pro forma* Financial Information is set out in paragraph 8.2 and **Annexure 1** of the circular. The *Pro forma* Financial Information has been compiled by the Directors of Trematon to illustrate the impact of the transaction on Trematon's financial position as at 31 August 2016 and Trematon financial performance for the year ended 31 August 2016.

As part of this process, Trematon's earnings, diluted earnings, headline earnings and diluted headline earnings per share, statement of comprehensive income and statement of financial position have been extracted by the Directors from Trematon's audited consolidated financial statements for the year ended 31 August 2016 ("**Audited Financial Information**"), in respect of which an unmodified audit opinion has been issued. In addition, the Directors have calculated the net asset value per share as at 31 August 2016 based on financial information extracted from the Audited Financial Information.

### **Directors' responsibility for the *Pro forma* Financial Information**

The Directors of Trematon are responsible for compiling the *Pro forma* Financial Information on the basis of the applicable criteria as detailed in paragraphs 8.15 to 8.33 of the Listings Requirements and the SAICA Guide on *Pro forma* Financial Information, revised and issued in September 2014 ("**Applicable Criteria**").

### **Reporting accountants' 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).

The firm applies International Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* 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.

### **Reporting accountants' responsibility**

Our responsibility is to express an opinion about whether the *Pro forma* Financial Information of Trematon has been compiled, in all material respects, by the Directors on the basis of the Applicable Criteria, based on our procedures performed.

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

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

The purpose of the *Pro forma* Financial Information of Trematon included in the Circular is solely to illustrate the impact of the Transactions on the unadjusted Audited Financial Information as if the Transactions had been undertaken on 31 August 2016 for purposes of the *pro forma* earnings, diluted earnings and the *pro forma* statement of comprehensive income and on 31 August 2016 for purposes of the *pro forma* net asset value per share and *pro forma* statement of financial position. Accordingly, we do not provide any assurance that the actual outcome of the Transactions, subsequent to its implementation, will be as presented in the *Pro forma* Financial Information of Trematon.

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

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

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

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

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

## **Conclusion**

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

## **Mazars**

*Registered Auditor*

*Partner: Yolandie Ferreira*

*Registered Auditor*

*Chartered Accountant (SA)*

Cape Town

31 March 2017

## REPORT OF HISTORICAL FINANCIAL INFORMATION OF THE CARVED OUT FINANCIAL STATEMENTS ON THE PROPERTIES

### CARVED OUT FINANCIAL STATEMENTS

for the years ended 31 August 2016, 2015 and 2014  
Audited/Reviewed

#### Directors' responsibility statement

The Directors are responsible for the preparation and presentation of the carved out financial statements, comprising the net asset statement at 31 August 2016, 2015 and 2014 and the statement of profit or loss and other comprehensive income for the years then ended, the related notes and accounting policies ("**Financial Statements**"), in accordance with the basis of accounting described in note 1.3 to the Financial Statements. The Financial Statements have been prepared for the purposes of providing financial information to satisfy the requirements of section 8 of the JSE Limited's Listings Requirements and for no other purpose. In addition, the Directors are responsible for preparing the Directors' commentary included in the Financial Statements. The directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of the Financial Statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The independent auditor is responsible for reporting on whether anything has come to their attention that causes them to believe that the Financial Statements are not prepared in accordance with the basis of accounting described in note 1.3 to the Financial Statements.

#### Approval of the Financial Statements

The Financial Statements, as identified in the first paragraph, were approved by the Directors on 31 March 2017 and were signed by Arthur Winkler, being the authorised director.

<b>Net asset statement as at</b>		<b>Audited</b>	<b>Reviewed</b>	<b>Reviewed</b>
<b>Figures in Rand</b>	<b>Note(s)</b>	<b>31 August</b>	<b>31 August</b>	<b>31 August</b>
		<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>				
<b>Current assets</b>				
Inventory	3	3 000 000	3 000 000	3 000 000
<b>Total assets</b>		<b>3 000 000</b>	<b>3 000 000</b>	<b>3 000 000</b>

<b>Statement of profit or loss and other comprehensive income</b>		<b>Audited</b>	<b>Reviewed</b>	<b>Reviewed</b>
<b>Figures in Rand</b>		<b>31 August</b>	<b>31 August</b>	<b>31 August</b>
		<b>2016</b>	<b>2015</b>	<b>2014</b>
Revenue		1 428 167	1 016 725	946 612
Operating expenses		(221 952)	(195 301)	(189 019)
<b>Operating profit</b>		<b>1 206 215</b>	<b>821 424</b>	<b>757 593</b>
Taxation		(350 523)	(241 539)	(222 753)
<b>Profit for the year</b>		<b>855 692</b>	<b>579 885</b>	<b>534 840</b>
Other comprehensive income		–	–	–
<b>Profit and total comprehensive income for the year</b>		<b>855 692</b>	<b>579 885</b>	<b>534 840</b>

## Significant accounting policies

### 1.1 Reporting entity

The Carved Out Financial Statements (the “**Financial Statements**”) are obtained from Club Mykonos Langebaan Proprietary Limited (“the **Company**” or “**CML**”) domiciled in the Republic of South Africa.

### 1.2 Nature of business

The Company directly owns a variety of investments, investment properties and land held as inventory in South Africa.

The company is 100% held by Trematon Capital Investments Limited which is an equity investment company and the accounting policies have been prepared in accordance with the accounting policies of Trematon.

### 1.3 Basis of preparation

#### (a) **Statement of compliance**

##### **Basis of accounting for the audited net asset statement and the statement of profit or loss and other comprehensive income.**

The financial statements have been prepared in accordance with International Financial Reporting Standards, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the JSE Listings Requirements, the requirements of the South African Companies Act of South Africa, and incorporate the principal accounting policies and valuation principles set out below.

These audited carved out financial statements are intended for the sole use of providing financial information to meet the requirements of section 8 of the JSE Limited’s Listings Requirements. The financial information relates to the specific properties to be disposed of by CML, a 100% held subsidiary of Trematon Capital Investments Limited (“**Trematon**”). The following properties are to be sold by CML:

- Erf 9673, Registration Division Malmesbury RD, Province of the Western Cape.
- Erf 9674, Registration Division Malmesbury RD, Province of the Western Cape.

Section 8 of the JSE Listings Requirements require that the financial information of the respective Disposals be presented in respect of the subject of those Disposals, namely, the properties. The financial statements include a net asset statement and statement of profit or loss and other comprehensive income which contains financial information relating to the buildings listed above only. These financial statements are therefore referred to as “carve-out” financial statements.

The Carved Out Financial Statements have been prepared in accordance with the accounting policies set out below.

#### (b) **Functional and presentation currency**

The Financial Statements are presented in South African Rand (“**Rand**”), which is the Company’s functional currency. All financial information presented in Rand has been rounded to the nearest Rand.

### 2.1 Inventory

Inventories consist of developed and undeveloped property and is measured at the lower of cost and net realisable value.

The cost of inventories is assigned using the specific identification method.

## 2.2 Revenue recognition

Revenue is earned from the sale of property and land and interest.

Revenue on the sale of properties is recognised once:

- the risks and rewards of ownership have transferred;
- the Group no longer has managerial involvement;
- the amount or revenue and costs can be measured reliably; and
- it is probable that the economic benefits from the sale will flow.

Interest income is recognised as it accrues, using the effective interest rate method.

## 2.3 Earnings

Earnings per share is calculated on the weighted average number of shares in issue, net of treasury shares, in respect of the year and is based on profit attributable to shareholders.

### Notes to the carved out financial statements

Figures in Rand		Audited 31 August 2016	Reviewed 31 August 2015	Reviewed 31 August 2014
<b>3. INVENTORY</b>				
<b>Net carrying value</b>				
Cost	<b>Erf 9673</b>	460 027	460 027	460 027
<b>Balance at end of year</b>		<b>460 027</b>	<b>460 027</b>	<b>460 027</b>
Cost	<b>Erf 9674</b>	2 539 973	2 539 973	2 539 973
<b>Balance at end of year</b>		<b>2 539 973</b>	<b>2 539 973</b>	<b>2 539 973</b>
Cost	<b>Total</b>	3 000 000	3 000 000	3 000 000
<b>Balance at end of year</b>		<b>3 000 000</b>	<b>3 000 000</b>	<b>3 000 000</b>
<b>4. DETAILS OF PROPERTIES</b>				
<ul style="list-style-type: none"> <li>• Erf 9673, Registration Division Malmesbury RD, Province of the Western Cape</li> <li>• Erf 9674, Registration Division Malmesbury RD, Province of the Western Cape</li> </ul>				
<b>5. EARNINGS</b>				
Revenue	<b>Erf 9673</b>	–	–	–
Operating expenses		(45 652)	(41 216)	(37 953)
Operating profit/(loss)		(45 652)	(41 216)	(37 953)
Taxation		–	–	–
<b>Earnings</b>		<b>(45 652)</b>	<b>(41 216)</b>	<b>(37 953)</b>
Revenue	<b>Erf 9674</b>	1 428 167	1 016 725	946 612
Operating expenses		(176 300)	(154 085)	(151 066)
Operating profit/(loss)		1 251 867	862 640	795 546
Taxation		(350 523)	(241 539)	(222 753)
<b>Earnings</b>		<b>901 344</b>	<b>621 101</b>	<b>572 793</b>
<b>Revenue</b>	<b>Total</b>	1 428 167	1 016 725	946 612
Operating expenses		(221 952)	(195 301)	(189 019)
Operating profit/(loss)		1 206 215	821 424	757 593
Taxation		(350 523)	(241 539)	(222 753)
<b>Earnings</b>		<b>855 692</b>	<b>579 885</b>	<b>534 840</b>

---

**REPORTING ACCOUNTANTS' REPORT ON THE AUDITED HISTORICAL FINANCIAL INFORMATION OF THE CARVED OUT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016 AND THE REVIEWED HISTORICAL FINANCIAL INFORMATION OF THE CARVED OUT FINANCIAL STATEMENTS FOR THE TWO YEARS ENDED 31 AUGUST 2015 AND 31 AUGUST 2014 OF THE DISPOSAL PORTFOLIO**

---

The Directors  
Trematon Capital Investments Limited  
3rd Floor  
North Wharf  
42 Hans Strijdom Avenue  
Cape Town  
8001

31 March 2017

Dear Sirs

**Independent Reporting Accountants' Report on the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2016, 31 August 2015 and 31 August 2014.**

**Introduction**

The definitions and interpretations commencing on page 4 of the Circular to which this letter is attached apply, *mutatis mutandis*, to this report.

At your request, and for the purposes of the Circular, we have audited the historical financial information of The Carved Out Financial Statements for the year ended 31 August 2016 and reviewed the historical financial information for the years ended 31 August 2015 and 2014, which comprises the statements of financial position, the statements of comprehensive income, statements of changes in equity and cash flows for the years then ended, a summary of significant accounting policies and other explanatory notes (collectively "**the Report of Historical Financial Information**"), as presented in **Annexure 3** to the Circular, in compliance with the Listings Requirements and the accounting policy of The Carved Out Financial Statements. The Report of Historical Financial Information has been prepared for purposes of providing financial information to satisfy the requirements of section 8 of the Listings Requirements and for no other purpose.

Mazars is the independent reporting accountant to Trematon in respect of the Circular.

**Responsibility of the directors**

The Directors are responsible for the compilation, contents and preparation of the Circular including the Report of Historical Financial Information of The Carved Out Financial Statements in accordance with the Listings Requirements.

The Directors are responsible for the fair presentation of the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2016, 31 August 2015 and 31 August 2014 in accordance with accounting policies as set out in note 1 of The Carved Out Financial Statements and the Listings Requirements, and for such internal control as the Directors determine is necessary to enable the preparation of the Report of Historical Financial Information of The Carved Out Financial Statements that is free from material misstatement, whether due to fraud or error.

**Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016**

We have audited the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016, as presented in **Annexure 3** to the Circular, prepared in accordance with The Carved Out Financial Statements accounting policies and the Listings Requirements.

## **Responsibility of the Independent Reporting Accountant in respect of the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016**

Our responsibility is to express an opinion on the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016 is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The audit evidence included that which we previously obtained during the conduct of our audit of the financial statements of The Carved Out Financial Statements from which the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016 has been derived.

## **Opinion on the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016**

In our opinion, the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2016, as presented in **Annexure 3** to the Circular, presents fairly, in all material respects, the financial position of The Carved Out Financial Statements at 31 August 2016 and its financial performance and its cash flows for the years then ended in accordance with the accounting policy of The Carved Out Financial Statements and the Listings Requirements.

## **Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014**

We have reviewed the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014, as presented in **Annexure 3** to the Circular, prepared in accordance with the accounting policy of The Carved Out Financial Statements and the Listings Requirements.

## **Responsibility of the Independent Reporting Accountants in respect of the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 2014**

Our responsibility is to express a review conclusion on the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014, based on our reviews for the years then ended, in accordance with International Standard on Review Engagements ISRE 2410 (Revised), which applies to a review of historical financial information. ISRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014, taken as a whole, is 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 the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014 in accordance with ISRE 2410 (Revised) is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the 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 the Report of Historical Financial Information of The Carved Out Financial Statements for the years ended 31 August 2015 and 31 August 2014.

**Basis for Qualified Conclusion on the Report of Historical Financial Information of The Carved Out Financial Statements for the year ended 31 August 2014**

IAS 1: *Presentation of Financial Statements*, requires a company to present comparative information in respect of the preceding period for all amounts reported in the current period's financial statements. Paragraph 8.4 of the JSE Listings Requirements states that notwithstanding the requirements of IAS 1 *Presentation of Financial Statements*, if reviewed financial information is being prepared for the purposes of paragraph 8.4, no comparative results need to be shown, if that financial information has been prepared using accounting policies that are identical to those contained in the historical financial information of the JSE Listings Requirements. The Carved Out Financial Statements has not presented comparative information for the year ended 31 August 2014 as required by International Financial Reporting Standards but complies with the JSE Listings Requirements.

**Qualified Conclusion on the Report of Historical Financial Information of The Carved Out Financial Statements for the period ended 31 August 2014**

Based on our review, except for the omission of the comparative information described in the preceding paragraph, nothing has come to our attention that causes us to believe that the Report of Historical Financial Information of The Carved Out Financial Statements, as presented in **Annexure 3** to the Circular, does not present fairly, in all material respects, the financial position of The Carved Out Financial Statements at 31 August 2014, and its financial performance and cash flows for the year then ended in accordance with accounting policies of The Carved Out Financial Statements and the Listings Requirements.

**Unqualified Conclusion on the Report of Historical Financial Information for the year ended 31 August 2015**

Based on our review, nothing has come to our attention that causes us to believe that the Report of Historical Financial Information of The Carved Out Financial Statements, as presented in **Annexure 3** to the Circular, does not present fairly, in all material respects, the financial position of The Carved Out Financial Statements at 31 August 2015, and its financial performance and cash flows for the year then ended in accordance with accounting policies of The Carved Out Financial Statements and the Listings Requirements.

**Mazars**

*Registered Auditor*

*Partner: Yolandie Ferreira*

*Registered Auditor*

*Chartered Accountant (SA)*

Cape Town

31 March 2017



---

**ABRIDGED VALUATION REPORT BY MILLS FITCHETT ON THE PROPERTIES**


---

The Directors  
Trematon Capital Investments Limited  
Aria North Wharf  
42 Hans Strijdom Avenue  
Cape Town, 8001

31 March 2017

Sirs/Madams,

**VALUATION**

Made on account of Trematon Capital Investments Limited ("**Trematon**"), in relation to the two properties known as Hobie Beach, Club Mykonos Langebaan, Langebaan, Western Cape ("**the Properties**").

**1. INTRODUCTION**

I, MRB Gibbons, a duly authorised Professional Valuer, registered without restriction in terms of section 19 of the Property Valuers Professional Act, 2000 (Act No. 47 of 2000), of Mills Fitchett Magnus Penny Wolffs trading as Magnus Penny Associates CC ("**the valuer**") do hereby certify that to the best of my knowledge, I have valued the Properties as at 1 January 2017 (as per the table below).

The valuation of the properties has been carried out by the valuer who has carefully considered all aspects of all the properties. These properties each have a detailed valuation report which has been given to the management of Trematon. The detailed reports, where applicable, 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. The detailed reports have further, where applicable, addressed the tenancy income capability and expenditure and historic expenditure profile as well as future expenditure increases have been considered. The value thus indicates the fair market value for each property which is detailed in the detailed report and which has been summarised on a summary schedule, in paragraph 2 below, for each property. There are two properties and the important aspects of the detailed valuation report including the property market value are summarised below.

Value of Properties valued as at 1 January 2017 = R30 700 000.

I herewith confirm that the information set out below comply with all particulars of section 13.23 of the JSE Listings Requirements.

**2. DESCRIPTION OF PROPERTIES**

Set out below are particulars relating to the Properties, as detailed in the category 1 circular to be dated on or about 6 April 2017, to which this report is attached and the values that I have attributed to them:

<b>Stand description</b>	<b>Title Deed</b>	<b>Address</b>	<b>Date of physical inspection</b>	<b>Effective date of valuation</b>	<b>Market valuation</b>
Portion 0 Erf 9674 Langebaan, situate in the Langebaan Municipality, Malmesbury Registration Division, Western Cape Province	T45469/2008	Mykonos, Langebaan	11 February 2017	1 January 2017	R25 300 000
Portion 0 Erf 9673 Langebaan, situate in the Langebaan Municipality, Malmesbury Registration Division, Western Cape Province	T45468/2008	Mykonos, Langebaan	11 February 2017	1 January 2017	R5 400 000

Property type	Site area	Floor areas m <sup>2</sup> (GLA)	Existing use	Tenants	Approximate age of building	Tenure
<b>Erf 9674</b>						
Special zoning – Resort residential and business	2.8200 Hectares	Approximately 1 650m <sup>2</sup> .	Business	See table below in paragraph 3.1	Between 2 to 15 years	Freehold
<b>Erf 9673</b>						
Special zoning – Resort residential and business	8 672 m <sup>2</sup>	Vacant land	Vacant land	n/a	n/a	Freehold

### 3. ERF 9674

#### 3.1 Brief description of location, existing use, improvements and condition

The property lies at the southern boundary of the Club Mykonos resort located on the West Coast fronting onto the Langebaan Lagoon.

**Exterior Description:** The improvements comprise three freestanding restaurant buildings. All well finished in keeping with the ambience of the West Coast fishing theme. The buildings are constructed of plastered brick with rock facades under pitched roofs.

**Interior Description:** The interior provides for various restaurant offerings. The dominant restaurant, Boesmanland reflects a very traditional West Coast Village profile; whilst the Beach Bar and White Sands are more wine/cocktail bar offerings with food available. There is outside seating – both on timber decking and grass/sand.

The Quad Biking venue is located to the rear of the property – with access to the track and surrounds.

**Parking:** There is ample demarcated on-site parking.

#### Town planning restrictions and conditions – Zoning Plan for Erf 9674:

Zone	Permissible uses	Density	Coverage	Height	Consent use
Resort Residential A	1. Resort Residential	50 dwelling units per Ha	25%	3 storeys	1. Resort Business 2. Hotel
	2. Recreation Centre				
	3. Recreation area				
Business A	1. Commercial building	–	10%	3 storeys	–
	2. Hotel	–	1.5Ha min.		–
	3. Visitor's car park	–	2Ha min.		Resort Business
	4. Recreation area	–			

As a result of the above – we note that there is some 20 000m<sup>2</sup> of land which is largely undeveloped. In terms of the zoning it does appear that Business Right A are dominant. The permissible bulk pertaining to this Land Use is only 10% (0.1) and as a result only 2 000m<sup>2</sup> of unrealised developable bulk.

**High level summary of leases:** The property is the subject of four leases, copies were made available to us and below we have tabled the relevant information for valuation purposes. Over and above the rental payable, consumables provided by the Local Authorities, increases in Levies (Home-Owners), increases in Rates & Taxes and increases in the Insurance Premium will be recovered by the Landlord.

Tenant	Type of lease	Rental per month	Expiry date of lease	
Boesmanland Plaaskombuis	10% of turnover	R65 999.16 (R59.50/m <sup>2</sup> )	31/10/18	<b>Note 1</b>
Marc's Beach Bar	10% of turnover	R55 000.00 (R223.50/m <sup>2</sup> )	24/03/19	<b>Note 2</b>
Salt (trading as White Sands)	10% of turnover	R30 000.00 (R150/m <sup>2</sup> )	30/06/19	<b>Note 3</b>
Ultramix Three CC (Quad Bikes)	Fixed rental	R2 662.00	31/05/17	

**Note 1:** Average monthly rental over our prior financial year. Increased by 8% in the new financial year. Our year-end was 31 August 2016. Tenant has the option to renew the lease for a further three years at the expiry date of the lease.

**Note 2:** Rental limited to a maximum amount of R55 000.00 per month. The maximum rental increases by 10% each year. Marc's Beach Bar has paid the maximum rental every month in the last financial year. Rental expected to increase to R60 500.00 from 1 April 2017. Tenant has the option to renew the lease for a further three years at the expiry date of the lease.

**Note 3:** New Tenant who has not officially started trading due to a delay in obtaining his liquor licence. Commenced trading from 1 December 2016. Expected turnover of R500 000.00 per month once he has found his feet. Tenant has the option to renew for a further three years at the expiry date of the lease.

**Note 4:** All leases have a redevelopment clause which entitles the landlord to cancel the lease with a six month notice period if the landlord wishes to redevelop the property.

#### Expenses

Levies	R11 611.19
Cleaning	R76 590.36
Rates & Taxes	R80 631.81
Total expenses	R168 833.35

From the above, we conclude that the adjusted expenses are market-related as are the recoveries.

### 3.2 Market rentals

The gross rental for year one is calculated below:

Boesmanland	R65 999.16
Marc's Beach Bar	R55 000.00
Salt	R30 000.00
Quad Bikes	R2 662.00
Total monthly income	R153 661.16

Having recently completed the valuation of retail/restaurant offerings along the West Coast, we refer to rentals being achieved in the Vredenburg CBD. A 110m<sup>2</sup> restaurant in the Ipic Centre is currently paying R149/m<sup>2</sup>; whilst a 94m<sup>2</sup> restaurant space occupied by a national tenant is paying R183/m<sup>2</sup>. The rental is also within the acceptable range of 5% to 10% of turnover.

### 3.3 Valuation methodology and capitalisation rates

The valuation has been prepared in accordance with the requirements of the International Valuation Standards (IVS).

The IVS definition of Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In respect of the development on the property we have adopted the discounted cash flow approach to arrive at our opinion of market value. The approach requires the valuer to apply a market-related capitalisation rate and discount rate to the projected net income generated by the property. Our approach to determining value has been to project cash flows for a period of one year, on the basis of the existing buildings, taking into account contractual and market rentals, normalised expenses and to discount to net present value.

In determining the most appropriate capitalisation (and discount rate) to apply, we commence our motivation by presenting the latest (November 2016) SAPOA Capitalisation and Discount Rate Survey for Retail properties:

#### **Retail Market Cap rates**

<b>Property Type</b>	<b>Min</b>	<b>Max</b>	<b>Median</b>	<b>Average</b>
Super regional Centre > 100 000m	6.25%	7.00%	6.50%	6.61%
Regional Centre 50 – 100 000m	6.50%	8.00%	7.00%	7.03%
Small Regional 25 – 50 000m	7.00%	10.50%	7.88%	8.10%
Community Centre 12 – 25 000m	7.50%	10.00%	8.25%	8.38%
Neighbourhood Centre 5 – 12 000m	8.00%	10.00%	9.00%	9.02%
Retail Warehouse	8.00%	10.00%	9.00%	9.00%
Stand Alone retail unit	8.00%	11.50%	9.75%	9.64%

The subject property – if allocated a description would probably best fit within the last of the above Property Types – that is Stand Alone Retail. Notwithstanding this, there are few sales of similarly profiled retail properties to the subject property which could be constituted as comparables. Within the Survey, there have been quite low volumes of transactional evidence to produce a Survey for Stand Alone, Community and Small Regional Centres.

#### **3.4 Valuation Fundamentals Applied to the Valuation Calculation**

To summarise, we have, after taking all the above into account including SAPOA selected a capitalisation rate of 8.25%.

With regards to the value of the unutilised bulk, there is no evidence of sales of land with similar rights. We have therefore had to consider what commercial bulk trades for within similar developments. In order to correctly profile this bulk we draw the reader's attention the overall Club Mykonos Zoning Plan. From this it becomes clear that the potential usage of the subject bulk would be hospitality driven.

There are very few hotel sites which have traded for development purposes. We were involved with the bulk value determination of the new Tsogo Sun Hotel in Cape Town (on the corner of Strand Street and Buitengracht). For the record the bulk was valued and included within the project at R4 000/m<sup>2</sup>. It would not be reasonable to apply this to the subject rights – but does offer the "top end" pricing.

Basic retail bulk values range from R1 500/m<sup>2</sup> to R2 500/m<sup>2</sup> – which is probably the range reflective to the subject bulk.

It is our opinion that the unrealised bulk would attract pricing of or around R2 500/m<sup>2</sup>.

The Valuation Calculation is presented below:

Total Monthly income R153 661.16 X 12  
 Total Annual income R1 843 933.92  
 Less: Estimated Expenses R168 833.35  
 Net Annual Income R1 675 100.57  
 Capitalised at 8.25% x 12.1212  
 Value of Income Stream R20 304 249.33  
 Value of Unrealised Bulk:  
 2 000m<sup>2</sup> @ R2 500/m<sup>2</sup> R5 000 000.00  
 Value of Property R25 304 249.33

#### 4. ERF 9673

##### 4.1 Brief description of location, existing use, improvements and condition

The property forms part of the southern precinct of Club Mykonos resort located on the West Coast fronting onto the Langebaan Lagoon and consists of vacant land.

In terms of the current zoning there are 50 dwellings per hectare permitted. Given the size of the subject property there would be some 43 opportunities permitted on the subject property, say 40 opportunities.

##### Town planning restrictions and conditions – Zoning Plan for Erf 9673:

###### Zoning table

Zone	Permissible uses	Density	Coverage	Height	Consent use
Resort Residential A	1. Resort Residential 2. Recreation Centre 3. Recreation area	50 dwelling units per Ha	25%	3 storeys	1. Resort Business 2. Hotel
Business A	1. Commercial building 2. Hotel 3. Visitor's car park 4. Recreation area	–	10% 1.5Ha min. 2Ha min.	3 storeys	– Resort Business

##### 4.2 Valuation methodology

The valuation has been prepared in accordance with the requirements of the International Valuation Standards (IVS).

The IVS definition of Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the case of undeveloped land where planning permission has been (as with the subject land) or is likely to be obtained, there is an element of latent value which may be released by the expenditure of capital upon that property.

The conventional valuation approach to valuing such land is the *residual valuation*. The residual value, at its simplest is the gross development value of a property less all costs including profit and what remains is the residual value of the site. In the absence of detailed costings, projected sales and the anticipated timeline this valuation would contain far too many subjective variables which; given the sensitivity of the calculation would generate too far a wide range of values. These could well be contested and at best would only reflect a performance indicator of the actual development.

In terms of the instruction, we determined the value per opportunity, based on the current zoning rights.

#### 4.2.1 **Current Values based on selling price of plots/opportunities**

##### **Free Hold Sales:**

The two nearest housing developments to the subject property, Apollo Ridge and Aegean Heights, are situated to the north of the subject property and overlook the harbour area.

Plot sizes in these developments range between are 500m<sup>2</sup> to 600m<sup>2</sup>. We have identified numerous plots for sale for prices ranging from R1 200 000.00 to R2 750 000.00 depending on their location within the development and the resultant views.

Improved properties appear to be achieving prices from R3 000 000.00 to R4 350 000.00.

Calypso Beach Estate, located to the south of the subject property. Plot sizes all appear to be around 350m<sup>2</sup>. We have identified numerous plots for sale for prices ranging from R550 000.00 to R860 000.00 – depending on their location within the development and the resultant views.

The average through price equates to R14 617/m<sup>2</sup>, this is slightly below values with security estates we have recently valued where values range between R15 000/m<sup>2</sup> and R20 000/m<sup>2</sup>. This analysis assists us in profiling the node when comparing opportunity values.

#### 4.2.2 **Conclusions as to Opportunity Value**

Having recently valued a number of larger developments, we can confirm opportunity values at R150 000 for apartments in Sitari Fields. Bearing in mind that Sitari Fields offers a “one stop” security estate with schools, shopping and commercial/office accommodation.

The subject property is located within a recognised holiday/second home location, and consequently would not command the values for estates such as Sitari Fields.

Identifying comparable sales, due to the nature of the ownership as well as the location (relative to the Mykonos Club) is not possible. It is also necessary to point out that the current owners would sell the property on the open market to a developer, who would then create competition for sales with the existing developments.

In profiling the location, as well as the property (within the micro locality) we are of the opinion that a value per opportunity of R135 000 would be reasonable for the subject property.

This indicates a value as follows: 40 opportunities @ R135 000 = R5 400 000.00

## 5. **GENERAL ASSUMPTIONS**

This valuation report has been compiled on the basis of the following general assumptions:

- Although the title deeds and conveyancer certificates have been reviewed and no onerous conditions have been identified no responsibility is assumed for the legal description or for matters including legal or title considerations. Title to the property is assumed to be good and marketable, unless otherwise stated.
- 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 on Erf 9674 are in accordance with the relevant town planning regulations for these properties.
- The property is valued free and clear of any aliens or encumbrances, unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
- All engineering information is assumed to be correct. Any plans and illustrative material in this report are included only to assist the reader in visualising the property.
- It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

- It is assumed that there is full compliance with all applicable state and local environmental regulations and laws unless non-compliance is stated, defined and considered in the valuation report. It is assumed that the site is free of any noxious waste that could affect value.
- It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless non-conformity has been stated, defined and considered in the valuation report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from local or national government or private entity or organisation have been or can be obtained or renewed for any use on which the value estimate contained in this report is based. It is assumed that the utilisation of the land and improvements is within the boundaries or property lines of the property description and that there is no encroachment or trespass unless noted in the report.

## 6. **SOURCES OF INFORMATION**

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

- Trematon;
- our physical inspection of the Properties, which confirmed the nature of improvements and the tenancies, reflected in the lease schedules;
- Deeds Office;
- Surveyor General's Office and Local Authorities for verification of the Title Deeds, Erf diagrams, Municipal Valuations and Town Planning conditions;
- SAPOA/IPD Index with regards to comparable market rentals, operating expense profiles, annualised rental and expense growth plus the Discount and Capitalisation Rate surveys; and
- Town planning restrictions/conditions and any material contravention of statutory requirements.

## 7. **OPTIONS OR BENEFIT/DETRIMENT OF CONTRACTUAL ARRANGEMENTS**

No valuation has been required detailing the benefit or detriment of contractual arrangements in respect of the Properties or where there may be a benefit in options held.

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

1. are currently no options held by any third parties to purchase any of the Properties;
2. have been no material changes between the date of the valuations and the Last Practical Date in any circumstances relating to the Properties, which would affect the valuation thereof.

## 8. **INTRA-GROUP OR RELATED PARTY LEASES**

There are no intra-group or related party leases.

## 9. **VALUATION QUALIFICATIONS**

Qualifications are usually detailed as a consequence of, *inter alia*: 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 contingent expenses to maintain the lettable of the building; and potential expropriations or servitudes that may be enforced.

I have, to the best of my knowledge, considered all of these aspects in the valuation of the Properties. There are no Properties that are prejudiced in value by the influence of the above factors.

The valuer is however not responsible for the competent daily management of these Properties that will ensure that this status is maintained, or for the change of any laws, services by local authority or economic circumstances that may adversely impact on the integrity of the buildings or the tenant profile.

## 10. **CURRENT STATE OF DEVELOPMENT**

There are no properties which are currently being developed.

11. **EXTERNAL PROPERTIES**

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

12. **OTHER GENERAL MATTERS AND VALUATION SUMMARY**

Full valuation reports are available on a property-by-property basis detailing tenancy, where applicable and town planning, valuer's commentary, expenditure and other details.

I confirm that I have no pecuniary interest that would conflict with a proper valuation of the Properties, other than normal professional fees. With more than 25 years' experience in property valuation, the undersigned is qualified to express an opinion on the value of the Properties.

Yours faithfully

**MRB Gibbons** – *Professional Valuer*

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

Registration number **4172**

Mills Fitchett  
Suite SG110  
Ground Floor  
Great Westerford  
240 Main Road  
Rondebosch  
Cape Town, 7725



## INFORMATION RELATING TO DIRECTORS

### 1. DIRECTORS OF TREMATON

The name, business address and function of each of the directors of the Company and its major subsidiaries as at the Last Practicable Date are set out below:

<b>Name</b>	<b>Business address</b>
Monty Kaplan Independent Non-executive Chairman (Age:86)	3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001
Arnold Jack Shapiro Chief Executive Officer (Age: 54)	3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001
Arthur Leon Winkler Chief Financial Officer (Age: 39)	3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001
Allan Groll Executive Director (Age: 61)	3rd Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001
Jonathan Phillip Fisher Independent Non-executive Director (Age: 43)	117 Hatfield Street, Gardens, Cape Town, 8002
Adriaan Murray Louw Independent Non-executive Director (Age: 70)	Prescient House, Westlake Business Park, Otto Close, Westlake, 7945
Rudi Stumpf Non-executive Director (Age: 45)	Atholl Square, Cnr Katherine Street and Wierda Road, East Sandown, 2196

No directors have resigned from the Board in the last 18 months.

### 2. DIRECTORS' INTERESTS IN TREMATON

As at the last practicable date the following directors held shares in the Company:

<b>Name</b>	<b>Direct beneficial</b>	<b>Indirect beneficial</b>	<b>Total beneficial shareholding</b>	<b>Percentage<sup>1</sup></b>
A Groll	–	46 550 000	46 550 000	21.38
AJ Shapiro	–	9 250 243	9 250 243	4.25
AL Winkler	–	–	–	–
M Kaplan	–	500 000	500 000	0.23
AM Louw	–	463 626	463 626	0.21
R Stumpf	–	10 399 808	10 399 808	4.78
JP Fisher	–	–	–	–
<b>Total</b>	<b>–</b>	<b>67 163 677</b>	<b>67 163 677</b>	<b>30.85</b>

<sup>1</sup>Measured against 217 771 329 Trematon shares in issue, which excludes 1 772 771 treasury shares currently held by the Group.

A Groll purchased 550 000 Trematon shares after the end of the preceding financial year, which shares are included in the table above. Other than as aforesaid there have been no changes to the directors interests in Trematon shares between the end of the preceding financial year and the date of this circular.

In terms of the Trematon Share Incentive Scheme the following directors held the convertible debentures set out in the table below at the last practicable date:

<b>Name</b>	<b>Number of debentures</b>
A Groll	7 897 589
AJ Shapiro	7 897 589
AL Winkler	1 228 500

Debentures are convertible into Trematon shares after a minimum period of three years from date of issue.

No directors have resigned from the board of directors in the last 18 months.

There will be no changes to the direct and indirect beneficial interests of the Directors (and their associates) in the Shares of the Company as a result of the Disposal

### 3. **DIRECTORS' INTERESTS IN THE TRANSACTIONS**

Save to the extent that he may be a Trematon Shareholder, no Director has any material beneficial interests, directly or indirectly in the Disposal or in any other transactions which were effected by the Company during the current or immediately preceding financial year, or during an earlier financial year and remain in any respect outstanding or unperformed. No Directors have resigned from the Board in the last 18 months.

### 4. **DIRECTORS' SERVICE CONTRACTS, REMUNERATION AND TERM OF OFFICE**

There are no formal employment or service contracts with the Directors and their appointment, term of office and remuneration are governed by the memorandum of incorporation of the Company, the Act and the Listings Requirements.

There will be no variance of the remuneration of the Directors in consequence of the Disposal.



## TREMATON CAPITAL INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/008691/06)

JSE share code: TMT ISIN: ZAE000013991

("Trematon" or "the Company")

---

### NOTICE OF GENERAL MEETING

---

Notice is hereby given that a General Meeting of Trematon Shareholders will be held at Trematon's registered office, Third Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001 on Thursday, 11 May 2017, commencing at 10:00 for the purpose of considering and, if deemed fit, passing with or without modification, the ordinary resolutions set out hereinbelow.

#### **Notes:**

The definitions and interpretations commencing on page 4 of the Circular to which this Notice of General Meeting is attached, apply, *mutatis mutandis*, to this Notice of General Meeting and the resolutions set out below.

For an ordinary resolution to be approved by Shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution.

**The date on which Shareholders must have been recorded as such in the Register for purposes of being entitled to receive this Notice of General Meeting is Friday, 31 March 2017.**

**The date on which Shareholders must be recorded in the Register for purposes of being entitled to attend and vote at the General Meeting, is Friday, 5 May 2017.**

**The last day to trade in order to be entitled to attend and vote at the General Meeting, is Tuesday, 2 May 2017.**

#### **ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF THE DISPOSAL OF THE PROPERTIES**

**"Resolved**, in terms of the JSE Listings Requirements, that the Disposal by the Company of the Properties to West Coast Leisure, for the Consideration and on the terms set out in the Disposal Agreement, the salient terms of which appear in the Circular and copies of which have been made available for inspection by Shareholders, be and is hereby approved."

#### **Reason and effect**

The reason for Ordinary Resolution Number 1 is that the Disposal constitutes a category 1 transaction, requiring Shareholder approval by way of an ordinary resolution, in terms of the aggregation provisions of the JSE Listings Requirements. The effect of Ordinary Resolution Number 1 is to grant the requisite approval for the Disposal in terms of the JSE Listings Requirements.

#### **ORDINARY RESOLUTION NUMBER 2 – GENERAL AUTHORITY OF DIRECTORS**

**"Resolved**, that any director of Trematon be and is hereby authorised to do all such things and sign all such documents as may be necessary to implement the above ordinary resolutions."

## **VOTING AND PROXIES**

Shareholders who hold their Shares in Certificated form or who are Dematerialised Own-name Shareholders who are unable to attend the General Meeting but who wish to be represented thereat, are required to complete and return the attached form of proxy so as to be received by the Company's Transfer Secretaries by no later than 10:00 on Tuesday, 9 May 2017.

## **DEMATERIALIZED SHAREHOLDERS**

Shareholders who have Dematerialised their Shares through a CSDP or Broker, other than by Own-name Registration, who wish to attend the General Meeting, should instruct their CSDP or Broker to issue them with the necessary letter of representation to attend the General Meeting, in terms of the custody agreement entered into between such Shareholders and their CSDP or Broker. Shareholders who have Dematerialised their shares through a CSDP or Broker, other than Dematerialised Own-name Shareholders, who wish to vote by way of proxy, should provide their CSDP or Broker with voting instructions, in terms of the custody agreement entered into between such Shareholders and their CSDP or Broker. These instructions must be provided to their CSDP or Broker by the cut-off time or date advised by their CSDP or Broker for instructions of this nature. Shareholders, who have any doubt as to the action they should take, should consult their Broker, accountant, attorney, banker or other professional adviser immediately.

### **Hand deliveries to:**

Link Market Services South Africa  
Proprietary Limited  
13<sup>th</sup> Floor Rennie House  
19 Ameshoff Street  
Braamfontein, 2001  
Gauteng

### **Postal deliveries to:**

Link Market Services South Africa  
Proprietary Limited  
PO Box 4844  
Johannesburg, 2000  
By order of the Board

By order of the board

### **Arthur L Winkler**

*Financial Director*

6 April 2017

### **Registered office**

Third Floor  
Aria North Wharf  
42 Hans Strijdom Avenue  
Cape Town, 8001  
(PO Box 7677, Roggebaai, 8012)



## TREMATON CAPITAL INVESTMENTS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1997/008691/06)

JSE share code: TMT ISIN: ZAE000013991

("Trematon" or "the Company")

---

### FORM OF PROXY

---

For use by Certificated Shareholders and Dematerialised Own-name Shareholders, at the General Meeting of Trematon Shareholders to be held at the registered office of the company, Third Floor, Aria North Wharf, 42 Hans Strijdom Avenue, Cape Town, 8001 on Thursday, 11 May 2017, commencing at 10:00.

I/We (please print names in full)

of (Address)

Telephone number: (      )

Cellphone number:

Email address

being the holder of  shares in Trematon, do hereby appoint (see note 1):

1. \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ or failing him/her,

3. the chairman of the General Meeting,

as my/our proxy to act for me/us at the General Meeting for the purpose of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat and at each adjournment thereof and to vote for and/or against such resolutions in respect of the Shares registered in my/our name/s in accordance with the following instructions.

	Number of votes (one vote per ordinary share)		
	In favour of	Against	Abstain
<b>Ordinary resolution 1</b>			
Approval of the Disposal of the Properties			
<b>Ordinary resolution 2</b>			
General authority of directors			

(Indicate instructions to proxy by way of a cross in space provided above)

Unless indicated above, my proxy may vote as he/she thinks fit.

Signed this

day of

2017.

Signed

Each Shareholder is entitled to appoint one or more proxies (who need not be Shareholders of the Company) to attend, speak and vote on behalf of that Shareholder.

**Please read the notes on the reverse.**

**Notes:**

1. This form of proxy must be used by Certificated Shareholders or Dematerialised Own-name Shareholders.
2. Dematerialised Shareholders are reminded that the onus is on them to communicate their voting instructions with their Central Securities Depository Participant or Broker.
3. A Shareholder may insert the name of a proxy or the names of two alternative proxies (who need not be Shareholders of the company) of the Shareholder's choice in the space/s provided, with or without deleting "the chairman of the General Meeting". The person whose name appears first on this form of proxy and which has not been deleted will be entitled to act as proxy in priority to those whose names follow.
4. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of Shares to be voted on behalf of that Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholder's votes exercisable thereat, but where the proxy is the chairman, failure to so comply will be deemed to authorise the proxy to vote in favour of the ordinary resolution. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
5. Forms of proxy must be lodged at or be posted to Link Market Services South Africa Proprietary Limited, 13th Floor Rennie House, 19 Ameshoff Street, Braamfontein, 2001, Gauteng (PO Box 4844, Johannesburg, 2000) to be received by no later than 10:00 on Tuesday, 9 May 2017.
6. The completion and lodging of this form of proxy will not preclude the Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any form of proxy appointed in terms hereof, should such Shareholder wish to do so.
7. The chairman of the General Meeting may reject or accept any form of proxy not completed and/or received, other than in accordance with these notes, provided that, in respect of the acceptance, the chairman is satisfied as to the manner in which the Shareholder concerned wishes to vote.
8. An instrument of proxy shall be valid for any adjournment of the General Meeting as well as for the meeting to which it relates, unless the contrary is stated thereon.
9. The authority (or a certified copy of the authority) of a person signing this form of proxy:
  - (a) under a power of attorney; or
  - (b) on behalf of a company,must be attached to this form of proxy unless the Company has already recorded the power of attorney.
10. Where Shares are held jointly, at least one of the joint Shareholders must sign this form of proxy.
11. A minor must be assisted by his/her guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the Company.