INTEGRATED REPORT 2021

CASTLEVIEW
PROPERTY FUND

AT A GLANCE

PORTFOLIO

Regional shopping centre

29 690 m² GLA

Total assets
R325.3 million

FINANCIAL HIGHLIGHTS

Shares in issue
35 264 627

Net asset value per share
437 cents

Loan-to-value ratio
50.5%

Distribution per share
26.6 cents

RETAIL REIT

Castleview is a property holding and investment company that is invested in a well-located small regional shopping centre in the Eastern Cape, with a strategy of accumulating a diversified portfolio of retail properties in South Africa over time, providing exposure to consumers from a cross-section of income categories.

Castleview was registered and incorporated on 6 July 2017 as a private company and listed its shares on the Alternative Exchange ("AltX") of the JSE on 20 December 2017.

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ABOUT THIS REPORT

Castleview Property Fund Limited ("Castleview" or the "company" or the "fund") is pleased to present its fourth integrated report to shareholders and stakeholders for the year ended 28 February 2021.

KEY DATA

Castleview Property Fund Limited
Registration number: 2017/290413/06
JSE share code: CVW
ISIN: ZAE000251633
(Approved as REIT by the JSE)

Castleview is a property holding and investment company that is, through its major subsidiary, FEC Prop Proprietary Limited ("FEC Prop"), invested in a well-located small regional shopping centre in the Eastern Cape, with a strategy of accumulating a diversified portfolio of retail properties in South Africa over time, providing investors with exposure to consumers from a cross-section of income categories.

This integrated report is primarily aimed at shareholders and providers of capital. The integrated report aims to present a balanced, understandable review of the business and provide an integrated assessment of the company's ability to create value over time.

MATERIALITY

Materiality assessments have been applied in determining the content and disclosure in the report, ensuring that the report is both concise and relevant to Castleview's shareholders. Material issues are considered to be those that could affect the company's ability to create value over time and are likely to have a significant impact on the current and projected revenue and profitability of the business.

The company has adopted the guidelines outlined in the International Integrated Reporting Council's ("IIRC") Framework as appropriate in future years. The IIRC Framework includes reporting in terms of the six capitals of value creation, being financial, intellectual, human, manufactured, social and relationship, and natural capital.

BASIS OF PREPARATION

This report, including the Annual Financial Statements, has been prepared taking account of the following:

- International Financial Reporting Standards ("IFRS")
- Companies Act, No. 71 of 2008, of South Africa ("Companies Act")
- JSE Listings Requirements
- King IV Report on Corporate Governance™ for South Africa, 2016 ("King IV™")
- Consideration of certain principles contained in the IIRC's Integrated Reporting Framework

ASSURANCE

The company's external auditor, Nolands Inc., has provided assurance on the annual financial statements and expressed an unqualified audit opinion. The annual financial statements have been prepared by Colin Dockrall, the financial director of Castleview. The content of the integrated report has been reviewed by the board of directors of the company ("board") and audit and risk committee, but has not been externally assured.

CORPORATE INFORMATION

Castleview's executive directors are the CEO, James Templeton and the financial director, Colin Dockrall, located at 411 The Hills, Buchanan Square, 160 Sir Lowry Road, Woodstock, Cape Town, or via the company's website www.castleview.co.za.

Castleview welcomes feedback and any suggestions for the company's future reports. Please forward any comments to James Templeton (james@castleview.co.za).

FORWARD-LOOKING STATEMENTS

This integrated report includes forward-looking statements that take account of inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and Castleview does not undertake to update or revise any of them, whether as a result of new information, future events, or otherwise.

STATEMENT OF RESPONSIBILITY

The audit and risk committee and the board acknowledge their responsibility to ensure the integrity of this integrated report. The annual financial statements included in this integrated report have been audited by the external auditors.

James Templeton

David Green Acting Chairman	**James Templeton** CEO	**Gregg Bayly** Chairman Audit and Risk Committee

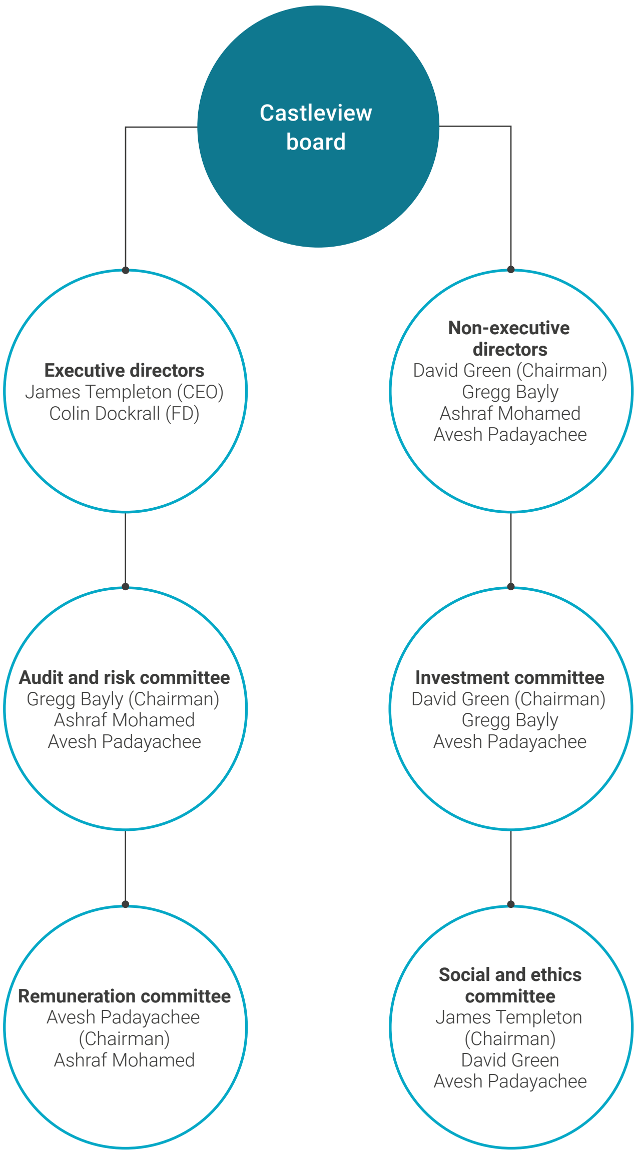
GROUP OVERVIEW

Castleview intends to invest in retail properties which are anchored by high-quality national tenants on long term, escalating leases, where opportunities to increase value to shareholders through sound asset management strategies are available. Castleview may also invest in listed property shares in the future.

The company's independent property valuer is Mike Gibbons of Mills Fitchet Magnus Penny.

GOVERNANCE STRUCTURE

The governance structures are set out below.



DIRECTORATE EXECUTIVE AND NON-EXECUTIVE

EXECUTIVE DIRECTORS

James William Andrew Templeton (48)

BComm (Hons) CFA

CEO

Appointed: 6 July 2017

James was employed at Barnard Jacobs Mellet, a prominent South African stockbroker from 1996 to 2003 where he covered various sectors including real estate. James was the chief executive officer of Emira Property Fund, a JSE listed REIT, from 2004 to 2015.

Colin Peter Dockrall (35)

BComm (Hons) CA(SA)

FD

Appointed: 1 March 2019

Colin started his career as an audit senior at JCB Incorporated in 2010, where he gained exposure to various industries. In 2015 he moved to MD Accountants & Auditors Incorporated where he was an Audit Supervisor, followed by an Audit Manager position at A.S. Pocock Incorporated from 2016 to 2018. Colin assumed the position of financial director of Castleview from 1 March 2019.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Avesh Padayachee (39)

BComm, LLB, MBA

Independent non-executive director

Appointed: 25 October 2017

Avesh was a corporate attorney at Webber Wentzel (Linklaters) in Johannesburg between 2005 and 2010. From 2010 to 2012 he completed his MBA at University of Pittsburgh, before founding Fibon Energy, a renewable energy company, in 2012, where he is currently chief executive officer and a director.

David James Green (59)

BA LLB

Independent non-executive director

Appointed: 25 October 2017

David is currently the CEO of ProAfrica Property Services. He has been involved in the listed property arena since 2001 as fund manager for Capital and Centre City property funds which now largely form part of Hyprop. David is an admitted Advocate.

As announced on SENS, David was appointed as Acting Chairman of the board with effect from 11 May 2020 after the resignation of Richard Volks and was appointed Chairman on a permanent basis from 1 October 2020.

Gregory Clifford Bayly (51)

BAcc, BComm (Hons), LLB ACMA, CGMA

Independent non-executive director

Appointed: 25 October 2017

Gregory is currently the chief investment officer at Southchester Investment Managers having been in this position since 2011. He was previously a portfolio manager at Gryphon Asset Management from 1991 to 2007 where he managed and advised on a variety of properties and other asset classes. Gregory has also worked as an outsourced portfolio manager for various financial institutions 'asset management companies' from 2008 to 2011.

Ashraf Mohamed (51)

BComm, CFA

Independent non-executive director

Appointed: 1 October 2020

Ashraf worked in asset management from 1998 to 2009, managing equity, balanced funds, and third-party assets in excess of R20 billion. He served as CEO of Ascension Properties and successfully listed the business in June 2012. He served as acting-CIO at Pareto, an unlisted property company, and thereafter served as Chairman of Inospace, a property development and rental company. More recently, Ashraf has been involved in consulting on financial structuring and capital raising for unlisted corporates.

PORTFOLIO OVERVIEW

SECTORAL PROFILE

Based on gross lettable area ("GLA")	Based on gross rental	Tenant profile based on GLA	Vacancy profile based on
RETAIL: 78.2%	RETAIL: 80.0%	A: 61.1%	GLA: 9.2%
OFFICE: 13.9%	OFFICE: 10.2%	B: 20.4%	GROSS RENTAL: 8.0%
RESIDENTIAL: 7.9%	RESIDENTIAL: 9.8%	C: 18.5%	

Tenant profile table:

A *Large international and national tenants, large listed tenants and government or smaller tenants in respect of which rental guarantees are issued. These include, inter alia, Shoprite, FNB, Standard Bank, Nedbank, The Department of Mineral Resources, Private Security Industry Regulatory Authority.*

B *Smaller international and national tenants, smaller listed tenants, major franchisees and medium to large professional firms.*

C *Other local tenants and sole proprietors. These include 37 tenants.*

LEASE EXPIRY PROFILE

	Based on GLA %	Based on gross rentals %
Vacant	**9.2**	8.0
Monthly	**3.7**	3.5
Feb 2022	**25.0**	29.4
Feb 2023	**16.0**	19.8
Feb 2024	**10.8**	12.1
> Feb 2024	**35.3**	27.2
	100.0	100.0

SECTOR ANALYSIS

Property name	Physical address	Sector	Weighted average rental per m² (R/m²)	GLA (m²)	Vacancy (% of GLA)	Valuation as at 28 February 2021 (R'000)
Pier 14	444 Govan Mbeki Avenue, North End, Port Elizabeth	Retail	113.0	23 236	8.6	
Pier 14	444 Govan Mbeki Avenue, North End, Port Elizabeth	Office	81.8	4 115	14.1	
Pier 14	444 Govan Mbeki Avenue, North End, Port Elizabeth	Residential	136.8	2 339	6.7	
Total			110.6	29 690	9.2	**317 048**

The weighted average rental escalation, based on existing leases by GLA, is 6.2% for retail and 6.6% for offices. Residential leases are only for a period of up to 12 months and therefore there is no contractual escalation.

The property valuation as at 28 February 2021 was performed by the Castleview Board of directors.

OTHER INFORMATION

The forward average annualised property yield was 9.6% at 28 February 2021.

STRATEGIC OVERVIEW

OUR BUSINESS MODEL

Castleview's strategy is to deliver capital and distribution growth to shareholders by investing in A-grade properties, which are yield-enhancing assets that offer consistent long-term growth.

How Castleview creates value

Inputs	Outputs
Financial Capital • Equity of R154m • LT and ST borrowings of R164m • Cash generated from operations of R18.5m • Efficient systems, controls and processes	• Income and capital growth for shareholders
Manufactured Capital • Pier 14 regional shopping centre	• Enhanced portfolio • Well-managed property generating growing income from retail, office and residential tenants
Intellectual Capital • Executive and non-executive directors with extensive industry expertise and experience • Sound governance structures • Regulatory compliance	• Optimal investment decisions • Transparent disclosure
Human Capital • Properly constituted board and sub-committees with appropriate experience and independence • Remuneration policy aimed at attracting and retaining key staff	• Retention of key employees
Social and Relationship Capital • Established symbiotic relationship with key tenants • Established social and ethics committee	• Enduring relationships with tenants and partners • Positive contribution to wider South African society
Natural Capital • Efficient use of constrained resources such as water and electricity	• Waste recycling and reduction in carbon footprint

Strategic Focus

Managing assets responsibly to deliver capital and distribution growth to shareholders	Providing access to funding essential for operations and the group's ability to create value	Investing in strategic nodes to maximize returns	Maintaining properties to enhance their value and continually deliver on tenants' expectations

STAKEHOLDER ENGAGEMENT

The board believes that establishing strong partnerships with the company's stakeholders is crucial to managing the risks and capitalising on the opportunities arising from its business activities. Key stakeholders are groups who have an impact on Castleview's business strategy and are materially impacted by its business activities. Castleview is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders as set out below.

Key stakeholders	Key issues	How Castleview engages	Responsibility
Shareholders	• Total returns • Consistent investment performance • Strategy execution • Portfolio growth • Capital appreciation • Risk management • Accessibility of executives • Timeous information	• Circulars, annual and interim results reporting • SENS announcements • Integrated report • Annual general meeting • Castleview's website	• CEO • FD
Financiers	• Capital management • Sustainability • Investment performance • Cash generation • Corporate governance and compliance • Risk management through loan-to-value ("LTV") and interest cover	• Agreed reporting • Regular meetings • Integrated report	• CEO • FD
Business partners and suppliers	• Professional working relationships • An understanding of the group's performance standards and requirements • Timely payment • Fair business practices	• Fosters a culture of teamwork • Regular meetings • Service level agreements or terms of reference, which include performance expectations	• CEO • FD • Asset managers
Tenants	• Property management • Market related rentals and escalations • Good upkeep and maintenance of buildings	• Asset and property management meet with the tenants on a regular basis and conduct regular site visits to Castleview's property	• Asset and property managers
Independent valuers	• Reliable and timeous information	• Regular information flow • Formal and ad hoc meetings	• CEO, FD
Government and Regulators	• Compliance • Taxation • Adherence to JSE Listings Requirements • Company legislation • Utility issues • Rates clearances • Zoning	• Engages with local authorities both directly and via its property managers and external consultants	• Management • External consultants • Designated advisers and external consultants • Executives
Industry Associations	• Introduction of new legislation • Global and local trends	• Membership of professional bodies	• Executives and Property managers
Communities	• Socio-economic development • Environmental impact • Responsible corporate citizenship	• Regular evaluation of the group's impact on society and the environment	• Executives and Property managers

LEADERSHIP AND GOVERNANCE

CHAIRMAN AND CEO'S REPORT

The period under review was almost entirely negatively impacted by the COVID-19 pandemic, with South Africa going into lockdown level 5 from 27 March 2020 and being at various stages of lockdown since then. During level 5 lockdown, only essential services such as food retailers and pharmacies were allowed to trade, with increasing numbers of tenants allowed to trade as the country. This was gradually moved down to level 2 by late August 2020, when liquor and tobacco were eventually allowed to be sold once more. These legal restrictions had a meaningful negative impact on the turnover of all tenants during the financial year, but particularly those in the liquor and hospitality industries.

As a result of the unprecedented market conditions, during the financial year asset management efforts were focused primarily on the retention of existing tenants and assistance for tenants with rental payments where required, as well as reducing operating costs where possible.

The Castleview Board would like to thank all its stakeholders – tenants, staff, service providers, financiers and shareholders – who assisted the company in managing its way through an unprecedented and extremely tough year. The second half of 2021 is tinted with optimism as the roll-out of COVID-19 vaccines around the world and in South Africa, provides hope that economic and trading conditions will return to a new normality by the end of the calendar year and into 2022.

INVESTMENT STRATEGY

Castleview's mandate is to deliver healthy total returns to its shareholders via a robust income stream and capital growth of its assets and will not necessarily focus on the year-on-year growth.

The company intends investing in retail property opportunities across South Africa, aiming to establish a portfolio that caters to a diversified population across the various income categories. In addition, Castleview may also invest in listed property shares.

In line with the fund's strategy, as announced on SENS on 16 February 2021, FEC Prop Proprietary Limited, a 99.9% owned subsidiary of Castleview, concluded an agreement to acquire the property letting enterprise known as Cravenby Shopping Centre for an aggregate purchase consideration of R39 million to be funded by a new debt facility from ABSA Bank, transfer of which took place on 19 May 2021.

Cravenby Shopping Centre is located on Balvenie Avenue, Cravenby in Goodwood, Cape Town, which is a centrally located residential area in close proximity to Parow and Epping and within 30 minutes' drive of the Cape Town CBD. The centre is a convenience centre with Shoprite as its anchor, grocery tenant and a further 8 tenants and 3 ATM's, with rights to develop a further 500m^2 of GLA, for which negotiations are currently taking place. The purchase is expected to be earnings enhancing to shareholders and will add a further convenience retail offering to the fund, which is an asset class that has proven most resilient in the COVID-10 pandemic.

MARKET CONDITIONS

In 2020 landlords globally were dealing with the fallout from the Covid-19 pandemic, trying to manage risk and maximise return during a year of significant uncertainty at the core of their businesses. As a result, share prices of listed real estate companies were significantly reduced in the first half of the year, although they recovered somewhat in the final quarter.

2021 has seen businesses focus on a recovery from the lows of 2020, driven by the Biden administration's huge stimulus in the US and the rollout of vaccines in the developed world, even if the developing world (including South Africa) is lagging the recovery profile of its developed world counterparts. This has driven global share prices higher, in anticipation of a return to "normality", even if the new normal is at a somewhat lower level than pre-Covid-19 levels.

The South African National Treasury forecasts South African GDP growth for 2021 to be 3.3%, from a low base of -7.2% in 2020. Growth is forecast moderate to 2.2% in 2022. Load shedding remains an ongoing issue. The only meaningful good news, which Castleview materially benefited from in the results to 28 February 2021, was the 325bp reduction in the prime interest rates from 10.25% in July 2019 to the current level of 7%.

FINANCIAL RESULTS

Notwithstanding the rental discounts of R4,4m given to tenants, revenue for the period at R49.6m was higher than the comparable period of R45.5m due to the company assuming the full electricity costs at Pier 14, which were previously taken on by a service provider and, in return, benefiting from the recoveries of these costs from tenants. Operating costs primarily increased from the assumption of these electricity costs, together with the debt forgiveness provided to tenants.

As a result of Castleview's debt being unhedged at the beginning of the financial period and the prime interest rate reducing from 9.75% to 7%, finance costs reduced to R12.7m from R15.2m in the comparable period, benefiting the company meaningfully.

Taking into the consideration the loss on fair value adjustment attributable to the investment property of R33.4m, the loss attributable to shareholders for the year was R22.3m, while SA

CHAIRMAN AND CEO'S REPORT (continued)

REIT Funds from operations for the period equated to R9.38m or 26.60 cents per share (Feb 2020: 36.33 cents).

Pier 14's valuation decreased from R345.5m to R317.0m during the period following the adverse impact of the trading conditions mentioned above, the result of which is that the company's net asset value per share has decreased from 515 cents to 437 cents (-15.1%).

Notwithstanding the tough conditions during the period, the property portfolio delivered a healthy cash flow and the balance sheet remains comfortably leveraged with an LTV of 50.5%, resulting in the Board declaring a final dividend for the reporting period of 26.60 cents per share.

For the full year dividend of 26.6 cents, shareholders were be offered the opportunity of a share investment alternative, details of which are contained elsewhere in this announcement.

PORTFOLIO PERFORMANCE

Against the background of the pandemic-induced limit on trading and the reduced number of office workers travelling to the Port Elizabeth CBD – where Pier 14 is located – as a result of the trend for work-from-home, turnover of tenants for the twelve months declined by 14.1% year-on-year in absolute terms (-22.1% for the six months to August 2020) and by 10.4% on a like-for-like basis (-21.4% for the six months to August 2020), with foot traffic decreasing by 45% over the 12 month period, implying an increase in basket size per shopper of 17%.

Despite the tough trading conditions, the Board is proud to state that total vacancies actually reduced from 11.5% in February 2020 to of 9.2% by February 2021. Retail vacancies increased from 7.2% to 8.6%, offices increased from 12.9% to 14% but vacancies in the residential tower decreased from 52.2% to 6.7% – the result of a focused leasing strategy since completion of the re-development of the office tower into 111 apartments in December 2019.

	GLA	Vacant GLA	29 February 2020	GLA	Vacant GLA	28 February 2021
Retail	23 236	1 663	7.2%	**23 236**	**1 990**	**8.6%**
Office	4 115	531	12.9%	**4 115**	**580**	**14.1%**
Residential	2 339	1 221	52.2%	**2 339**	**156**	**6.7%**
Total	29 690	3 415	11.5%	**29 690**	**2 726**	**9.2%**

The new residential tower that was completed at the end of 2019 has noticeably improved the cash flow from Pier 14, diversified the income stream, and has brought increased foot traffic to the retail tenants, with the associated benefit to tenant turnover at the centre.

DEBT FUNDING

The ABSA debt for Pier 14 is secured by a first mortgage bond and security cessions over the fixed property comprising Pier 14 Shopping Centre. Subsequent to year-end, as announced to shareholders on SENS on 31 March 2021, the ABSA facility was extended by a further three years to 10 April 2024 and also broken down into two sub-facilities – a R150m term loan (Facility A) and a R15m flexi facility (Facility B). Facility A is interest only, payable at a rate of 3m JIBAR plus 2.40% and Facility B interest only at prime less 1%.

During the period, the company entered into interest rate swap agreements with ABSA Bank, such that finance costs on R123.75m of the ABSA Bank Pier 14 loan has been effectively fixed in two tranches expiring in April 2024 and April 2025 at a weighted all-in rate of 6.98%.

At year end, total drawn down facilities of R163.7m million, representing a loan to value of 50.5%. Interest cover stood at in excess of 2.0 times.

Subsequent to year end, ABSA Bank also provided a R48.5m three-year loan to the fund for the purchase and extension of Cravenby Shopping Centre, which transferred to Castleview on 19 May 2021. The facility is interest only at a floating rate of 3-month JIBAR plus 2.4%.

GOVERNANCE AND SUSTAINABILITY

Castleview prides itself on its corporate governance and on the commitment of its leadership to both the business and these high standards.

This philosophy encompasses the financial performance and risk management of the group, which it strictly adheres to, but importantly it also extends to the social and environmental spheres and the impact that Castleview is able to have on society and the environment.

The daily interaction between Castleview and the shoppers at its property results in various interfaces in which the fund can positively impact on its stakeholders including community events and fund raising for various charities.

PROSPECTS

Castleview will continue to focus on a disciplined approach to the management of its existing asset and the growth of the portfolio in order to return growth in capital and income to shareholders. Barring any further significant increase in the level of Covid-19 infections in South Africa and a resultant increase in the level of lockdown from the current Alert Level 1, it is expected that distributable income per share is expected to grow in the 12-months to 28 February 2022. This forecast is the responsibility of the directors of Castleview and has not been reviewed or reported on by the company's external auditors.

James Templeton

David Green
Chairman

James Templeton
CEO

CORPORATE GOVERNANCE REPORT

Castleview is committed to upholding the highest standards of ethics, transparency and good governance while pursuing value creation in the short, medium and long term. The board is the custodians of good corporate governance within the group and accept accountability to stakeholders for the provision of value-enabling governance appropriate for Castleview.

ETHICAL LEADERSHIP

Castleview is committed to maintaining the highest standards of ethics and business conduct. The board continues to lead the company with integrity and competence that results in the achievement of Castleview's strategic objectives. The company continues to live out its implemented code of ethics ("the Code") that stipulates, among other things, that:

- all stakeholders must act in good faith with skill and care;
- bribery in any form is not tolerated;
- conflicts of interest must be declared; and
- compliance with all relevant and applicable legislation is extremely important.

The social and ethics committee is responsible for the oversight of the company's ethics although the board remains accountable for the way this is discharged.

The board confirms that it is not aware of any transgressions of the Code during the year and that no issues of non-compliance have arisen. No fines or prosecutions have been levied against the group during the period under review.

Issuer is:

- In compliance with the provisions of the Companies Act, specifically relating to its incorporation.
- Operating in conformity with its MOI.

THE BOARD

Members

Executive directors

James Templeton (CEO)

Colin Dockrall (FD)

Independent non-executive directors

David Green (Chairman)

Gregg Bayly

Ashraf Mohamed (Appointed 1 October 2020)

Avesh Padayachee

Castleview's board is constituted in terms of the company's Memorandum of Incorporation and in line with King IV. The majority of the board are independent non-executive directors bringing diversity to board deliberations and constructively challenging management.

The responsibilities of the independent non-executive Chairman, the CEO, and the remaining directors are strictly separated to ensure that no single director has unfettered decision-making powers and that appropriate balances of power and authority exist on the board. The independent non-executive directors contribute a wide range of industry skills, knowledge and experience, to the board's decision-making processes. Ultimate control of the group rests with the board of directors while the executives are responsible for the proper execution of the group strategy. To achieve this, the board determines the objectives of the group and sets the philosophy for investments, performance and ethical standards. Quarterly board meetings are held with additional meetings convened where required.

Castleview's executive directors do not have fixed-term contracts. There is no restraint of trade period in place in respect of executive directors. In terms of the company's Memorandum of Incorporation ("MOI"), one-third of the non-executive directors must be re-elected annually by shareholders at the annual general meeting.

FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

The board assumes collective responsibility for strategy, policy, oversight and accountability. With this in mind a formal board charter is in place that sets out the roles and responsibilities of the board and individual directors aligned with the provisions of relevant statutory and regulatory requirements.

The board confirms that it is responsible for ensuring the following functions as set out in the board charter:

- act as the focal point for, and custodian of, corporate governance by managing its relationship with management, the shareholders and other stakeholders of Castleview along sound and ethical corporate governance principles;
- steer and set direction with regards to both Castleview's strategy and the way in which specific governance areas are to be approached, addressed and conducted;
  - approve policy and planning that give effect to the company strategy;
  - oversee and monitor implementation and execution of the strategy by management; and
  - ensure accountability for organisational performance through reporting and disclosures.
  - oversee and monitor that Castleview is and is seen to be a responsible corporate citizen by having regard to

CORPORATE GOVERNANCE REPORT (continued)

not only the financial aspects of the business of the company but also the impact that business operations have on the environment and the society within which it operates;

- consider Castleview's strategy against the six capital resources;
- exercise on-going oversight of the management of ethics within Castleview that promote ethical behaviour within the group;
- approve Castleview's financial objectives including, capital expenditure, treasury, capital and funding proposals;
- appreciate that strategy, risk, performance and sustainability are inseparable:
- provide effective leadership on an ethical foundation;
- ensure that Castleview has an effective and independent audit and risk committee;
- be responsible for the governance of risk;
- oversee and be responsible for the governance of information and technology within Castleview;
- monitor Castleview's compliance with applicable laws and consider adherence to non-binding rules, codes and standards;
- ensure that there are effective risk-based internal controls and audit processes;
- adopt a stakeholder-inclusive approach and consider stakeholders' perceptions of Castleview's reputation;
- review and oversee the integrity of the company's integrated annual report and the relevant disclosures in terms of King IV™ reporting;
- act in the best interests of Castleview by ensuring that individual directors adhere to legal standards of conduct; are permitted to take independent advice in connection with their duties and disclose real or perceived conflicts to the board and deal with them accordingly;

- Directors are expected to devote sufficient time and effort to prepare for meetings in order to participate fully and frankly in board discussions and bring the benefit of their particular knowledge, experience, skills and abilities to bear;
  - review the succession plan for its directors including the Chairperson and CEO; and
  - approve Castleview's Governance Framework that articulates and gives effect to its direction on relationships and the exercise of authority across Castleview.

The Board's annual agenda plan is designed to ensure that sufficient time is allocated to address all necessary matters. Agendas are adjusted throughout the year to prioritise relevant issues and ensure focused consideration of strategic priorities.

INDEPENDENCE OF THE BOARD

Castleview ensures the independence of the board through the following practices:

- appointment of an independent non-executive director as Chairman;
- clear separation of the roles of Chairman and CEO;
- appointment of a minimum of three independent non-executive directors;
- the audit and risk committee is comprised of only independent non-executive directors while the remuneration committee and social and ethics committee comprise a majority of independent non-executive directors;
- the audit and risk committee, investment committee, and remuneration committee are chaired by independent non-executive directors;
- no service contracts are in place in respect of non-executive directors; and
- all directors have access to the advice and services of the company secretary and with prior agreement from the Chairman, all directors are entitled to seek independent professional advice concerning the affairs of the group at the group's expense.

ATTENDANCE AT MEETINGS

Meeting attendance is recorded in the table below.

CASTLEVIEW BOARD MEETING ATTENDANCES FOR THE YEAR ENDED 28 FEBRUARY 2021

	Name	Date 8 May 2020	Date 4 September 2020	Date 30 October 2020	Date 12 February 2021	Total
	Executive directors					
1	JWA Templeton	√	√	√	√	4/4
2	C Dockrall	√	√	√	√	4/4
	Independent non-executive directors					
3	DJ Green (Chairman)	√	√	√	√	4/4
4	GC Bayly	√	√	√	√	4/4
5	MA Mohamed	*	*	√	√	2/4
6	A Padayachee	√	√	√	√	4/4

* *Ashraf Mohamed was appointed to the board on 1 October 2020*

CORPORATE GOVERNANCE REPORT (continued)

The independence of the independent non-executive directors was assessed, and all were deemed to meet the requirements of independence in terms of the recommendations of King IV™. The continued independence of these directors will be annually evaluated and confirmed.

NOMINATIONS

The board seeks to construct an effective, robust, diversified and complementary board, the capability of which is appropriate in nature, complexity and strategic demands of the business. The board actively consider the structure, size and composition of the board and its committees when contemplating new appointments and succession planning.

DIRECTORS' PERSONAL INTERESTS

A full list of directors' interests is maintained and directors at the beginning of each board meeting are required to confirm that the list is correct. Directors recuse themselves from any discussion and decision in which they have a material financial interest.

AUDIT AND RISK COMMITTEE

Members: Gregg Bayly (Chairperson), Ashraf Mahomed (appointed 1 October 2020) and Avesh Padayachee

Invitees: CEO, FD, company secretary and the external auditors

The committee, as recommended by the board and approved by the shareholders at the last AGM, comprised of three independent non-executive directors, all of whom satisfied the requirements of the Companies Act. Having regard to Castleview's size and circumstances, the board satisfied itself that the committee was adequately skilled, and all members possessed the appropriate financial and related qualifications, skills and financial expertise and experience required to discharge their responsibilities.

The audit committee is an independent statutory committee and has the cooperation of all directors, management and staff in order to perform its duties and has had access to all the required documentation in order to fulfil its tasks. The committee is satisfied that financial reporting met its required standards during the reporting period.

Role of the committee

The role of the committee is split into two main categories:

i). Audit

The role of the Committee is to provide independent oversight of the effectiveness of the internal financial controls and the system of internal controls to assist the Board in ensuring and monitoring the integrity of Castleview's Annual Financial Statements and related external reports. The Committee further oversees the effectiveness of Castleview's external and internal assurance functions and services that contribute to ensuring the integrity of Castleview's financial and integrated reporting.

Responsibilities include:

- The review and checking of all financial reports including the integrated report;
- The evaluation of internal financial controls;
- Following an evaluation and assessment of the external auditor and the designated audit partner, making recommendations to shareholders regarding the appointment or reappointment of the independent external auditor, as well as the suitability for such appointment and independence of the external auditor and audit partner;
- The monitoring and evaluation of all external and internal audit work in terms of the combined assurance model; and,
- Ensure that appropriate financial reporting procedures have been established and are operating;
- Ensure that the Group's financial performance is properly reported on and monitored, including reviewing the annual and interim accounts, results announcements, integrated annual reporting process, internal control systems and procedures and accounting policies;
- Ensure that the Committee fulfils its role in the corporate governance framework, including compliance with the company's MOI and King IV requirements.

CORPORATE GOVERNANCE REPORT (continued)

ii). Risk

The role of the committee is to assist the Board to set the direction for the manner in which risk is managed and addressed while adopting a stakeholder-inclusive approach, a role that was particularly relevant during the reporting period due to the increased risks that arose as a result of the COVID-19 pandemic. It also has to ensure that Castleview has implemented an effective policy and plan for risk management and compliance encompassing the opportunities and associated risks to be considered when developing strategy and the potential positive and negative effects of the same risks on the achievement of Castleview's strategic objectives.

Responsibilities include:

- review Castleview's risk framework and policy and assess and monitor the implementation of it;
- review specific risks such as insurance, litigation and health and safety;
- oversee a policy on the management of technology and information and monitor the responses to developments in technology;
- oversee that the executive team has identified and assessed all the risks and opportunities for Castleview in relation to all aspects of its business.

Activities during the reporting period

The committee has fulfilled its function and responsibilities, as mentioned above, and has executed its duties during the year under review, complying with its legal, regulatory and other responsibilities in accordance with its terms of reference. The Board did not assign any additional responsibilities to the committee.

Although the COVID-19 pandemic resulted in several new risks during the financial year, particularly during the level 5 lockdown in April and May 2020 when only essential retailers were permitted to trade, additional meetings with the full Board, and not just the Audit and Risk committee, were held in order to monitor, manage and communicate the fund's risk mitigation strategies.

The expertise and experience of the Financial Director, Colin Dockrall, was reviewed during the committee's annual assessment and the committee has satisfied itself thereof. In addition, it has considered and further satisfied itself of the expertise of the finance function and adequacy of resources and experience of senior members of management responsible for the financial function.

In accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the committee is required to review the independence of the external auditors, Nolands Inc. In this regard, the committee is satisfied that the external auditor is independent.

Following the review by the committee of the annual financial statements of Castleview Property Fund for the year ended 28 February 2021, the committee is of the view that in all material respects they comply with the relevant provisions of the company's MOI, the Companies Act and IFRS and fairly presents Castleview's financial position at that date and the results of operations and cash flows for the year then ended.

The committee has also satisfied itself of the integrity of the remainder of the integrated report. Having achieved its objectives, the committee has recommended the integrated report for the year ended 28 February 2021 for approval to the Board. The Board has subsequently approved the integrated report, which will be open for discussion at the forthcoming annual general meeting.

The committee has reviewed a documented assessment, including key assumptions prepared by management, of the going concern status of Castleview. The Board's statement on the going concern status of Castleview, which is supported by the committee, appears later in this integrated annual report.

ATTENDANCE AT MEETINGS

During the 2021 financial year, the committee met on four occasions and meetings were scheduled in line with Castleview's financial reporting cycle.

Meeting attendance is recorded in the table below.

AUDIT AND RISK COMMITTEE MEETING ATTENDANCES FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Name	Date of meeting 8 May 2020	Date of meeting 4 September 2020	Date of meeting 30 October 2020	Date of meeting 12 February 2021	Total
1	GC Bayly (Chairman)	√	√	√	√	4/4
2	MA Mohamed (Appointed 1 October 2020)	*	*	√	√	2/4
3	A Padayachee	√	√	√	√	4/4

* *Ashraf Mohamed was appointed to the board on 1 October 2020*

CORPORATE GOVERNANCE REPORT (continued)

INVESTMENT COMMITTEE

Members: David Green (Chairman), Gregg Bayly, Avesh Padayachee

Invitees: CEO, FD and the company secretary

The members of this committee have extensive business experience and technical expertise in the real estate, renewable energy and finance sectors.

The investment committee considers all acquisitions, disposals and capital expenditure for recommendation to the board.

The investment committee did not meet during the financial period under review as the full Castleview board considered and approved the purchase of Cravenby Shopping Centre in February 2021 – which therefore also comprised all the members of the Investment Committee.

REMUNERATION COMMITTEE

Members: Avesh Padayachee (Chairman), Ashraf Mohamed

Invitees: CEO, FD and the company secretary

The committee met once during the year.

The remuneration committee is a committee of the board and is governed by terms of reference as approved by the board. These terms of reference are reviewed on an annual basis.

REMUNERATION REPORT AND POLICY

The remuneration committee is responsible for the group's remuneration policy and practices. The remuneration committee ensures the remuneration policy is aligned with Castleview's strategic objectives and goal.

Castleview is managed by Castleview Asset Managers (Pty) Ltd ("CAM") and the executive directors and asset management staff are employed and remunerated by CAM. The asset management agreement requires CAM to perform in line with agreed performance criteria. The remuneration committee is satisfied that CAM has implemented a remuneration structure that creates a performance-based culture by adopting remuneration policies and practices with regard to executives and employees by aligning performance with the creation of sustainable returns to shareholders while meeting the needs of other stakeholders. Six internal property management staff are employed by Castleview. These individuals are managed by CAM and their employment contracts, salaries and incentives are also determined by CAM. There are no other full-time employees within the Group. The mixture of full-time and part-time employees will be monitored by the remuneration committee and will be adjusted appropriately as the business grows.

Castleview welcomes engagement with shareholders on remuneration issues to inform the voting process at the annual general meeting. In line with King IV™, Castleview is required to engage directly with shareholders should the remuneration policy, the implementation report, or both be voted against by 25% or more votes exercised. Through this engagement process management will endeavour to determine reasons for the dissenting votes and address legitimate objections and take reasonable measures to address shareholder concerns. At the 2020 annual general meeting, Castleview shareholders approved the remuneration policy and the remuneration implementation report, both by 100% of the voting rights exercised in respect of such resolutions.

As the business matures into a larger organisation it is envisaged that the remuneration policy will adapt and change accordingly. During the course of the 2022 financial period the committee will continue to monitor the appropriateness of the remuneration policy and how it is applied.

As a responsible corporate citizen Castleview strives to improve employment conditions across the business and implement initiatives that will over time realise the concept of fair and reasonable remuneration. This includes the promotion of employment equity and diversity in the workplace, skills development and remuneration benchmarking to ensure internal equity and equal pay for work of equal value.

Through CAM, Castleview's current remuneration structure consists of a mix of guaranteed remuneration and variable performance-related pay which is at risk. Guaranteed remuneration constitutes the employee's total cost to company package.

During the 2022 financial year, based on the growth of the company, Castleview will move towards a more integrated approach to reward strategy in which all components are aligned to the strategic direction and value drivers of Castleview.

REMUNERATION IMPLEMENTATION REPORT

The remuneration committee confirms that the CAM's remuneration structure with its policies and procedures has been consistently applied in the year under review.

The six internal property management staff employed by Castleview receive annual increases effective in March of each calendar year.

There was no short-term incentive plan in place for the period under review.

There was also no long-term incentive plan in place for the period under review.

CORPORATE GOVERNANCE REPORT (continued)

For emoluments paid to directors during the 2021 financial period, please refer to note 24 to the annual financial statements. The proposed emoluments of the non-executive directors for the 2022 financial period are set out in the table below.

The non-executive directors are remunerated by Castleview. Other than fees paid to CAM in respect of asset management services and the company secretary in respect of company secretarial services, the company has not entered into any contracts relating to directors and/or managerial remuneration, secretarial and technical fees and restraint payments.

NON-EXECUTIVE DIRECTORS FEES FOR THE PERIOD ENDED 28 FEBRUARY 2021 AND PROPOSED FEES FOR 2022

	Directors' Fees	
Position	**2021 Actual R**	**2022 Proposed R**
Chairman of the board	**151 800**	162 500
Member of the board	**151 800**	162 500

Attendance at meetings

During the 2021 financial year, the committee met once.

Meeting attendance is recorded in the table below.

	Name	**Date of meeting 12 February 2021**	**Total**
1	A Padayachee (Chairman)	√	1/1
2	MA Mohamed (Appointed 1 October 2020)	√	1/1

Avesh Padayachee
Remuneration committee Chairman

SOCIAL AND ETHICS COMMITTEE

Members: James Templeton (Chairman), David Green and Avesh Padayachee

The social and ethics committee is a statutory committee focused on monitoring compliance with labour legislation as well as corporate social responsibilities, corporate citizenship, the impact of the company's activities on the environment, health and safety and customer relations. Despite being a statutory committee, it is constituted by the board and fulfils the required functions on behalf of the company. A charter governs the committee's responsibilities and duties.

SOCIAL AND ETHICS COMMITTEE REPORT

During the year, the committee focused on the following matters:

- Transformation.
- Maintaining appropriate policies and ensuring that initiatives emanating from these policies are appropriately implemented within Castleview.
- Monitoring compliance with the Broad Based Black Economic Empowerment Act.

Social and economic development

Monitoring the social and economic development of the company, including the company's standing in terms of the goals set out in the United Nations Global Compact Principles and the Organisation for Economic Co-operation and Development's recommendations regarding corruption.

Ethical conduct

Reviewing and approving the company's code of conduct and all policies and procedures relating thereto.

Good corporate citizenship

Considering sponsorship, donations and charitable giving to the community in which Castleview operates in.

In the financial year to February 2020, Castleview decided to sponsor Excelsior Primary, a school located in Mount Croix, Port Elizabeth, which is in the immediate vicinity of Pier 14 Shopping Centre to the amount of approximately R45 000. The funds were used by the school to resurface the netball court and cricket practice nets.

Castleview's Social and Ethics Committee felt that the contribution it could make to the maintenance of the school's facilities would assist in the pupils' extra-curricular activities and also meant that, rather than pupils and parents having to travel to opposing schools every weekend in order to play competitive netball, they were able to host the other schools at Excelsior Primary.

CORPORATE GOVERNANCE REPORT (continued)

In the financial year to February 2021, we were informed by the school that additional work was required to restore the sporting facilities to the standard required. Castleview once again assisted the school with a further R15,000 for this purpose and thereby continued its support for the school, its pupils and other stakeholders.

Sustainability

Monitoring employment relationships and the company's contribution to employees' self-development.

Monitoring workplace health and safety issues.

Consideration of the top sustainability issues as identified by management.

Stakeholder engagement

Monitoring Castleview's activities regarding consumer relationships and compliance with consumer protection law.

Consideration of stakeholder engagement.

Attendance at meetings

During the 2021 financial year, the committee met on two occasions.

Meeting attendance is recorded in the table below.

SOCIAL AND ETHICS COMMITTEE MEETING ATTENDANCES FOR THE PERIOD ENDED 28 FEBRUARY 2021

	Name	Date of meeting 4 September 2020	Date of meeting 12 February 2021	Total
1	J Templeton (Chairman)	√	√	2/2
2	D Green	√	√	2/2
3	A Padayachee	√	√	2/2

James Templeton

James Templeton
Social and ethics committee Chairman

COMPANY SECRETARY

The board has direct access to the company secretary, Statucor Proprietary Limited, who provides guidance and assistance in line with the requirements outlined in the Companies Act, King IV™ and the JSE Listings Requirements. The independence, competence, qualifications and experience of the company secretary is subject to annual evaluation by the board.

For the period under review, the board considered the competence, qualifications and experience of the company secretary and is satisfied that the company secretary is deemed fit to continue in the role as company secretary for Castleview. The company secretary's relationship with the board has been assessed and is considered to be at arm's-length.

INFORMATION TECHNOLOGY GOVERNANCE

The board is ultimately responsible for IT governance. The financial director oversees the information technology function, attends the executive committee meetings and reports to the CEO. The risks and controls over information technology assets and data are considered by the audit and risk committee.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the group's securities by directors and group officials is regulated and monitored as required by the JSE Listings Requirements and the group's policy. Castleview maintains a closed period from the end of a financial reporting period to the date of publication of the financial results, and any other period when the company is under a cautionary announcement.

PROMOTION OF ACCESS TO INFORMATION ACT

There were no requests for information lodged with the group in terms of the Promotion of Access to Information Act, No. 2 of 2000, during the period under review.

DIVERSITY POLICY

The group is committed to actively managing diversity as a means of enhancing the company's performance by recognising and utilising the contribution of diverse skills and talent of its directors. Diversity may result from a range of factors including age, gender, ethnicity, cultural background, race or other personal factors.

The policy applies to the board. It does not apply to diversity in relation to employees of Castleview, which is covered by the company's employment equity policy, according to South African labour legislation.

The social and ethics committee will review the policy annually, which will include an assessment of the effectiveness of the policy. The board has not set any voluntary targets in relation to the year ending 28 February 2022.

RISK MANAGEMENT

The board retains overall responsibility for risk management and for the definition of the company's overall risk strategy and tolerance, having considered the recommendations of the audit and risk committee.

Risk	Impact	Mitigation Strategies
Investment property portfolio		
Inability to source suitable properties to acquire	Inability to grow the portfolio	Regular interaction with key agents in the property investment industry
Damage to investment property	Financial loss to the company and reduced asset value	Comprehensive insurance policy based on replacement value of investment property Regular review of insurance policy and insured values Regular inspections of the property by the on-site technical team
Acquisition Risk	Financial performance of properties purchased is not in line with expectations	Comprehensive due diligence performed by asset managers Technical report carried out by external consultants
Operational performance		
Vacancies and rental default	Reduced profitability and returns to stakeholders Declining property valuations, reduced net asset values and risk of breach of financial covenants	Strong focus on tenant relationships to ensure retention Targeted leasing strategy, using in-house management team and interacting with external leasing agents Early renewal negotiations – tenants are engaged six months prior to lease expiry Effective credit control procedures for defaulting tenants
	Increased operational risk of vacancies and tenant default due to COVID-19 induced government shutdown of the economy	Intensive discussions with all of our tenants as the situation evolved on financial assistance (rental reductions and/or rental deferrals) that the fund is prepared to give them to see them through the lockdown and various stages of lockdown (Level 5, 4, 3 etc.)
Municipal under performance	Deterioration in services provided (water, rates, refuse, electricity) by local municipality would negatively impact on centre's ability to cater to tenants	Private landlords are increasingly becoming less reliant on municipal infrastructure e.g., private waste removal
Financing		
Interest rate risk	Increased cost of borrowings will reduce shareholder value	Maintain appropriate level of fixed interest rates and hedging
Failure to secure funds for acquisitions	Inability to grow the portfolio	Regular interaction with investors and bankers to ensure the availability of equity and/or debt for funding of acquisitions
Insufficient rental paid by tenants as a result of national shutdown due to COVID-19	Insufficient cash generated to pay running costs and interest, therefore CVW would be in default of loan	Negotiations on 6-month interest capitalisation with the fund's bankers were successfully concluded in April 2020 in this regard
Inability to roll over bank debt due to COVID-19 induced bank crisis	Inability to secure roll over of existing facility/ new facility would result in CVW having to raise the funds to pay back the ABSA facility in October 2020	Early negotiations on renewal with the fund's bankers, which were successfully concluded in March 2021, with the facility being rolled for three years

RISK MANAGEMENT (continued)

Risk	Impact	Mitigation Strategies
Governance		
Non-compliance with regulations e.g., JSE Listings Requirements	Suspension or termination of the company's listing	Active monitoring by corporate sponsors and company secretary
	Occupational Health & Safety Act	Experienced staff on-site and well-established processes in place
Reputational risk	Loss of investor confidence and unit price volatility	Regular communication with stakeholders Regular interaction with corporate advisors and advice if necessary
Skills and systems		
Loss or operational inadequacy of key staff and advisers	Reduced operational capability and consequential impact on shareholder value	Relationships with key advisers governed by appropriately termed contracts Ability to replace advisers in the event of failure Attractive remuneration and working environment in place to encourage retention of key staff
Information technology failure	Loss of revenue as a result of loss of data Impact on the company's reputation in the event that the data is not recovered promptly	Support of appropriately skilled IT resources and contractors

KING IV™ COMPLIANCE

REGISTER OF APPLICATION OF THE KING IV™ PRINCIPLES

Castleview Property Fund Limited ("Castleview or the Company") is a listed company on the Alternative Exchange (AltX) of the Johannesburg Stock Exchange operated by the JSE Limited ("JSE").

The following table has been developed to provide a summary assessment of the application of the specific applicable recommendations of King IV™, which shows that Castleview applied all the principles of King IV™ during the financial period ended 28 February 2021.

APPLICATION OF THE KING IV™ PRINCIPLES

Leadership	
Principle 1	**The board should lead ethically and effectively** The board of directors exercises effective leadership, adhering to the duties of a director. The board as a whole has the necessary competence and the directors act ethically in discharging their responsibility to provide strategic direction and control of the Company as provided for in the board charter. The board charter outlines the policies and practices of the board on various matters such as conflicts of interest and independence. The directors adhere to Castleview's declarations of interest policy, which is based on the Companies Act and the JSE Listings Requirements. The board is committed to driving the strategy and operations of Castleview, based on an ethical foundation, to support a sustainable business, acting in the best interest of Castleview, while considering the economy, society as a whole, environment and its stakeholders. This consists of considering risks in the business and the monitoring of how management has implemented Castleview's strategy thereby ensuring accountability for the Company's performance.
Organisational ethics	
Principle 2	**The board should govern the ethics of the company in a way that supports the establishment of an ethical culture** The board determines and sets the tone of Castleview's values, including principles of ethical business practice, human rights considerations and the requirements of being a responsible corporate citizen and through the social and ethics committee approves the Company's code of ethics. Management has been delegated the responsibility for implementation and execution of the code of ethics and the board through the social and ethics committee exercises ongoing oversight of the management of ethics and ensuring it is integrated in the operations of the Company. The ethics code guides interaction with all stakeholders of the Company and addresses the key ethical risks of the Company.
Responsible corporate citizenship	
Principle 3	**The board should ensure that the company is and is seen to be a responsible corporate citizen** In accordance with its role of overseeing Castleview's conduct as a good corporate citizen, the board approves the strategy of the business including matters relating to sustainability. Through stakeholder engagement the board is committed to understanding the expectations of all stakeholders. Castleview is a values driven organisation and the board is committed to ensuring that the Company fulfils its legal and moral obligations as a good corporate citizen.
Strategy and performance	
Principle 4	**The board should appreciate that the company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process** In alignment with the purpose of Castleview, the board approves the Company's strategy, value drivers and legitimate expectations of its stakeholders ensuring the business remains sustainable after considering all risk factors. The board oversees and monitors the implementation and execution by management of the policies that drive strategy and ensures that the Company accounts for its performance through transparent reporting and disclosures.

KING IV™ COMPLIANCE (continued)

APPLICATION OF THE KING IV™ PRINCIPLES

Reporting

Principle 5

The board should ensure that reports issued by the company enable stakeholders to make informed assessments of the company's performance, and its short, medium and long-term prospects.

The integrated annual report provides a consolidated view of Castleview's financial, social and environmental performance, prospects and strategy in the context of our operating environment to enable stakeholders to make an informed assessment of the group's value creation in the short, medium and long-term.

The board, through its audit and risk committee, ensures that the necessary controls are in place to verify and safeguard the integrity of reports and other disclosures. Castleview complies with all required disclosures.

The audit and risk committee oversees the reporting process and reviews the interim and annual financial statements.

Primary role and responsibilities of the board

Principle 6

The board should serve as the focal point and custodian of corporate governance in the company

The board is committed to the highest standards of corporate governance. Its role and responsibilities and the way it executes its duties and decision-making are set out in the board charter and terms of reference of its committees.

Through the delegations of authority, the board has set the direction and parameters for the powers which are to be reserved for itself, and those that are to be delegated to management via the Chief Executive Officer.

Composition of the board

Principle 7

The board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively

The board aims to ensure that its composition comprises a majority of independent non-executive directors. When considering appointments or re-election of directors the board gives consideration to the knowledge, skills and resources required for conducting the business as well as considering its size, diversity and demographics to ensure effectiveness.

The board has adopted a diversity policy which promotes gender and race diversity at board level.

The board is satisfied that there is a balance of skills, experience, diversity and knowledge required to discharge its role and responsibilities.

Committees of the board

Principle 8

The board should ensure that its arrangements for delegation within its own structure promote independent judgement and assist with balance of power and the effective discharge of its duties

Committees have been established to assist the board in discharging its responsibilities. The committees of the board comprise of an audit and risk committee, a social and ethics committee, investment committee and a remuneration committee.

The committees are appropriately constituted and members are appointed by the board. External advisors, executive directors and members of management attend committee meetings by invitation. Formal terms of reference have been adopted by each committee and will be reviewed on an annual basis.

Evaluation of the performance of the board

Principle 9

The board should ensure that the evaluation of its own performance and that of its committees, its chairperson and its individual members, support continued improvement in its performance and effectiveness

The Chairperson of the board, assisted by the company secretary, conducts an internal evaluation process each year.

KING IV™ COMPLIANCE (continued)

APPLICATION OF THE KING IV™ PRINCIPLES

Appointment and delegation to management

Principle 10

The board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

The role and function of the CEO are specified in the board charter and the performance of the CEO is evaluated by the board against these criteria. It is the responsibility of the board to ensure that succession plans are in place for the position of the CEO.

Risk governance

Principle 11

The board should govern risk in a way that supports the company in setting and achieving its strategic objectives

The board has direct responsibility for the governance of risk and approves Castleview's risk policy that gives effect to its set direction on risk. The board is responsible for the approval of the risk profile and financial risk appetite and tolerance levels, ensuring that risks are managed within these levels.

Management continuously identifies, assess, mitigate and manage risks within the existing operating environment. Mitigating controls are put in place to address these risks.

To support the board in ensuring risk management oversight, the audit and risk committee is responsible for ensuring effective monitoring of the relevant top risks.

Technology and information governance

Principle 12

The board should govern technology and information in a way that supports the company setting and achieving its strategic objectives

The board is ultimately accountable for the governance of information technology management and has delegated this responsibility to the audit and risk committee.

Assurance is sought to ensure that the information management controls in place are effective and that any risk identified are addressed.

The information management strategy is aligned to Castleview's business needs and sustainability objectives. Measures to ensure that compliance to all relevant laws, information security and the protection of personal information are in place.

Compliance governance

Principle 13

The board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the company being ethical and a good corporate citizen

Castleview's policy requires that all associated companies and their directors and employees comply with all applicable laws.

Legal compliance systems and processes are continuously being put in place, to mitigate the risk of non-compliance with the laws in various jurisdictions in which Castleview does business.

The board has delegated the responsibility for implementing compliance to management.

Remuneration governance

Principle 14

The board should ensure that the company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term

The board believes that Castleview has an appropriate rewards strategy for the current size of the company. The adopted policy ensures competitive and appropriate rewards outcomes for the employees of the company.

The remuneration report, including the remuneration implementation report and the remuneration policy, is set out in the integrated annual report.

KING IV™ COMPLIANCE (continued)

APPLICATION OF THE KING IV™ PRINCIPLES

Assurance	
Principle 15	**The board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the company's external reports** The audit and risk committee is responsible for the quality and integrity of Castleview's reporting. As Castleview grows and the complexity of the business increases, the audit and risk committee will ensure that appropriate systems are put in place to ensure the integrity of information.
Stakeholders	
Principle 16	**In the execution of its governance role and responsibilities, the board should adopt a stakeholder-inclusive approach that balance the needs, interests and expectations of stakeholders in the best interests of the company over time** Castleview strives to ensure a systematic and integrated approach to stakeholder engagement ensuring that all stakeholder issues are identified, prioritised and appropriately addressed.

CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2021

CASTLEVIEW PROPERTY FUND

INDEX

The reports and statements set out below comprise the consolidated and separate annual financial statements presented to the shareholders:

30 June 2021

The consolidated and separate annual financial statements for the year ended 28 February 2021 have been audited by Nolands Inc, in compliance with the applicable requirements of the Companies Act of South Africa. The consolidated and separate annual financial statements were prepared by Colin Dockrall CA(SA).

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act of South Africa to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate annual financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate annual financial statements fairly present the state of affairs of the group and the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the Companies Act of South Africa. The external auditors are engaged to express an independent opinion on the consolidated and separate annual financial statements.

The consolidated and separate annual financial statements are prepared in accordance with International Financial Reporting Standards and the Companies Act of South Africa and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and the company and all employees are required to maintain the highest ethical standards in ensuring the group's and the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group and the company is on identifying, assessing, managing and monitoring all known forms of risk across the group and the company. While operating risk cannot be fully eliminated, the group and the company endeavour to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's and the company's cash flow forecast for the year ending 28 February 2022 and, in light of this review and the current financial position, they are satisfied that the group and the company has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate annual financial statements. The consolidated and separate annual financial statements have been examined by the external auditors and their report is presented on pages 27 to 29.

The consolidated and separate annual financial statements set out on pages 33 to 65, together with the directors' report on pages 30 to 32, which have been prepared on the going concern basis, were approved by the board of directors on 30 June 2021 and were signed on their behalf by:

James Templeton

J W A Templeton

Colin Dockrall

C P Dockrall

Cape Town
30 June 2021

APPROVAL BY THE CHIEF EXECUTIVE AND FINANCIAL DIRECTOR

FOR THE YEAR END 28 FEBRUARY 2021

The directors whose names are stated below, hereby confirm that:

a. the annual financial statements set out on pages 33 to 65, fairly present in all material respects the financial position, financial performance and cash flows of the issuers in terms of IFRS;

b. no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c. internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and

d. the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditor the deficiencies in design and operational effectiveness of the internal controls and any fraud that involves directors, and have taken the necessary remedial action.

James Templeton

Colin Dockrall

J W A Templeton
Chief executive officer

C P Dockrall
Financial director

30 June 2021

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CASTLEVIEW PROPERTY FUND LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate annual financial statements of Castleview Property Fund Limited set out on pages 33 to 65, which comprise the statements of financial position as at 28 February 2021, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate annual financial statements present fairly, in all material respects, the consolidated and separate financial position as at 28 February 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).* We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate annual financial statements of the current period. This matter was addressed in the context of our audit of the consolidated and separate annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The following key audit matter relates to the consolidated and separate annual financial statements:

Consolidated Annual Financial Statements

Valuation of investment properties

The valuation of the investment property was considered a matter of most significance to our current year audit due to the significant judgement and assumptions applied in determining the fair value of the investment property. The investment property is stated at its fair value based on the directors' valuation thereof. The directors used the discounted cash flow method to determine the fair value. We considered future cash flow values, discount rates and capitalisation rates as the significant judgements.
Our audit procedures performed included the following:

a) Utilised our internal valuation expertise to assess the appropriateness of the valuation methodology and noted it to be consistent with industry norms.

b) We tested the data inputs in the directors' cash flow forecast by agreeing them to approved and signed lease agreements and other supporting documentation.

c) We calculated our own independent range of fair values and compared these to the directors' valuation. We considered the directors' fair value to fall within our acceptable range.

d) We assessed the adequacy of the disclosures in the annual financial statements in relation to the requirements of the financial reporting framework.

Refer to Notes 1.3 and 2 of the annual financial statements for further details on the method and assumptions applied by management that impact the fair value of the investment property.

Separate Annual Financial Statements

We have determined that there are no key audit matters in respect of the separate annual financial statements.

INDEPENDENT AUDITOR'S REPORT (continued)

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report. Other information does not include the consolidated and separate annual financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate annual financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate annual financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Annual Financial Statements

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

In preparing the consolidated and separate annual financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate annual financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated and separate annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (continued)

- Evaluate the overall presentation, structure and content of the consolidated and separate annual financial statements, including the disclosures, and whether the consolidated and separate annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate annual financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report Nolands Inc. has been the auditor of Castleview Property Fund Limited for four years.

Nolands Inc.

Nolands Inc
Registered Auditors
Practice Number: 900583e
Per: Craig Stansfield
Chartered Accountant (SA)
Registered Auditor
Director

Noland House
River Park,
River Lane,
MOWBRAY
7700

Cape Town
30 June 2021

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the consolidated and separate annual financial statements of Castleview Property Fund Limited ("Castleview" or "the company") and the group for the year ended 28 February 2021.

1. NATURE OF BUSINESS

Castleview Property Fund Limited is an investment entity incorporated in South Africa with interests in the property holding industry. The company does not trade, and all of its activities are undertaken through its principal subsidiaries. The group operates in South Africa. The JSE granted Castleview a listing of all its issued ordinary shares in the "Retail REITs" sector on the AltX of the JSE under the abbreviated name "Castleview", JSE share code "CVW" and ISIN: ZAE000251633 with effect from 20 December 2017.

There have been no material changes to the nature of the group's and company's business from the prior year.

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa. The accounting policies have been applied consistently compared to the prior year.

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

3. SHARE CAPITAL OF THE COMPANY

Authorised	**2021 Number of shares**	**2020 Number of shares**
Ordinary shares of no par value	**1 000 000 000**	1 000 000 000

Issued	**2021 R**	**2020 R**	**2021 Number of shares**	**2020 Number of shares**
Ordinary shares of no par value	**176 567 759**	171 025 800	**35 264 627**	34 188 520

On 10 June 2020 a dividend of 15.34000 cents per share was declared by the board of directors. The board declared a further dividend of 0.87000 cents per share as a result of extra profits in the financial year ended 28 February 2019, bringing the total dividend payable up to 16.21000 cents per share (the "dividend"). The board provided shareholders with a share reinvestment alternative in respect of the dividend. The shareholders unanimously elected to re-invest the cash dividend. This resulted in the issue of 1 076 107 shares on 10 July 2020. These shares were issued pursuant to a share re-investment alternative.

4. DIVIDENDS

A final gross dividend of 26.60000 cents per share was approved by the board of directors on 25 May 2021 in respect of the year ended 28 February 2021. The board provided shareholders with a share reinvestment alternative in respect of the dividend.

In accordance with the group's status as a REIT, the dividend declared meets the requirements of a qualifying distribution for the purposes of section 25BB of the Income Tax Act No 58 of 1962 (as amended).

Castleview uses distribution per share as the relevant measure of financial performance for the purposes of trading statements in terms of the JSE Listing Requirements.

DIRECTORS' REPORT (continued)

5. DIRECTORATE

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

Directors	Office	Designation	Nationality	Changes
G C Bayly	Director	Non-executive Independent	South African	
C P Dockrall	Finance Director	Executive	South African	
D J Green	Chairperson	Non-executive Independent	South African	
M A Mohamed	Director	Non-executive Independent	South African	Appointed 1 October 2020
A Padayachee	Director	Non-executive Independent	South African	
J W A Templeton	Chief Executive Officer	Executive	South African	
R G Volks	Director	Non-executive Independent	South African	Resigned 4 May 2020

6. INVESTMENTS IN SUBSIDIARIES

Details of material interests in subsidiary companies are presented in the consolidated and separate annual financial statements in note 6.

7. HOLDING COMPANY

The group's holding company is Urban Retail Property Investments 1 Proprietary Limited which holds 90% (2020: 90%) of the group's equity. Urban Retail Property Investments 1 Proprietary Limited is incorporated in South Africa.

8. EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 26.60000 cents per share was approved by the board of directors on 25 May 2021 in respect of the year ended 28 February 2021. The board approved a share reinvestment alternative in respect of these dividends, with all shareholders electing to reinvest the dividend.

As announced on SENS on 16 February 2021, FEC Prop Proprietary Limited, a 99.9% owned subsidiary of Castleview, concluded an agreement to acquire the property letting enterprise known as Cravenby Shopping Centre for an aggregate purchase consideration of R39 million to be funded by a new debt facility from ABSA Bank Limited.

As announced to shareholders on SENS on 31 March 2021, the ABSA Bank Limited facility was extended by a further three years to 10 April 2024 at a rate of 3m JIBAR plus 2.40% in respect of facility A (R150m) and prime less 1% for facility B (R15m).

Castleview One Proprietary Limited purchased the minority shareholding of FEC Prop Proprietary Limited subsequent to year end, and consequently now holds 100% of FEC Prop Proprietary Limited.

The group has provided security for the purchase price of Cravenby Shopping Centre in the form of a bank guarantee.

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

9. GOING CONCERN

The directors believe that the group and company have adequate financial resources to continue in operation for the next twelve months and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group or company. The directors are also not aware of any material non- compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group or company.

Furthermore, as a result of the extension of the ABSA facility to April 2024, and the negotiations regarding the renewal of the shareholder loan, the Board believes that the group's financial position is appropriately structured for the foreseeable future.

10. AUDITORS

At the upcoming annual general meeting, the shareholders will be requested to reappoint Nolands Incorporated as the independent external auditors of the company and to confirm Mr Craig Stansfield CA (SA), RA as the designated lead audit partner for the 2022 financial year.

DIRECTORS' REPORT (continued)

11. SECRETARY

The company secretary is Statucor Proprietary Limited.

Postal address: P.O. Box 3883 Cape Town 8000
Business address: 6th Floor
119-123 Hertzog Boulevard Foreshore Cape Town
8001

12. ANALYSIS OF SHAREHOLDERS

Shareholders' spread analysis as at 29 February 2021	Number of shares	%
100 001 – 10 000 000 shares	3 526 462	10
10 000 001 shares and over	31 738 165	90
	35 264 627	100
Shareholders with an interest of 5% or more in shares		
Mirlem IP Proprietary Limited	3 526 462	10
Urban Retail Property Investments 1 Proprietary Limited	31 738 165	90
	35 264 627	100

	Number of shareholders	%	Number of shares	%
Public and non-public shareholders				
Public shareholders	1	50	3 526 462	10
Non-public shareholders	1	50	31 738 165	90
	2	100	35 264 627	100

As at 28 February 2021, and up to the date of approval of the annual financial statements, none of the directors of Castleview held a direct or indirect beneficial interest in Castleview shares.

13. SECRETARIAL CERTIFICATION

In accordance with section 88(2)(e) of the Companies Act of South Africa, for the period ended 28 February 2021, it is hereby certified that the company and its subsidiaries have lodged with the Companies and Intellectual Property Commission all such returns that are required and that such returns are true, correct and up to date.

A J Rich
On behalf of Statucor Proprietary Limited
(Company secretary)

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2021

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2021**	**2020**	**2021**	**2020**
ASSETS					
Non-Current Assets					
Investment property	2	**310 560 482**	338 798 677	**–**	
Derivatives	3	**1 967 663**	–	**–**	–
Operating lease asset	4	**6 058 155**	6 701 323	**–**	–
Investments in subsidiaries	6	**–**	–	**165 000 000**	165 000 000
		318 586 300	345 500 000	**165 000 000**	165 000 000
Current Assets					
Loans to group companies	7	**–**	–	**31 408 184**	48 915 675
Trade and other receivables	9	**4 508 626**	3 223 413	**304 762**	304 762
Operating lease asset	4	**429 368**	–	**–**	–
Cash and cash equivalents	10	**1 803 341**	3 549 206	**199 994**	112 093
		6 741 335	6 772 619	**31 912 940**	49 332 530
Total Assets		**325 327 635**	352 272 619	**196 912 940**	214 332 530
EQUITY AND LIABILITIES					
EQUITY					
Equity Attributable to Equity Holders of Parent					
Share capital	11	**176 567 759**	171 025 800	**176 567 759**	171 025 800
Accumulated (loss) profit		**(22 726 375)**	5 064 936	**(3 308 588)**	(6 657 628)
		153 841 384	176 090 736	**173 259 171**	164 368 172
Non-controlling interest		**158 670**	189 831	**–**	–
		154 000 054	176 280 567	**173 259 171**	164 368 172
LIABILITIES					
Non-Current Liabilities					
Loan from parent company	8	**–**	36 063 748	**–**	36 063 748
Current Liabilities					
Trade and other payables	12	**7 546 114**	9 760 232	**56 550**	37 491
Loans from parent company	8	**9 703 640**	573 099	**9 703 640**	573 099
Mortgage bond	13	**154 077 827**	129 593 297	**–**	–
Bank overdraft	10	**–**	1 676	**–**	–
Loan from group companies	7	**–**	–	**13 893 579**	13 290 020
		171 327 581	139 928 304	**23 653 769**	13 900 610
Total Liabilities		**171 327 581**	175 992 052	**23 653 769**	49 964 358
Total Equity and Liabilities		**325 327 635**	352 272 619	**196 912 940**	214 332 530

CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 2021

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2021**	**2020**	**2021**	**2020**
Revenue	14	**49 611 519**	45 492 823	**10 494 364**	18 990 642
Other operating expenses		**(27 787 794)**	(17 429 982)	**(536 572)**	(624 704)
Operating profit	15	**21 823 725**	28 062 841	**9 957 792**	18 365 938
Investment income	16	**27 452**	84 297	**–**	–
Finance costs	17	**(12 674 578)**	(15 179 776)	**(1 066 793)**	(3 439 922)
(Loss) gain on fair value adjustment on investment property	18	**(33 414 282)**	5 776 037	**–**	–
Gain on interest rate swap	18	**1 967 663**	–	**–**	–
(Loss) profit before taxation		**(22 270 020)**	18 743 399	**8 890 999**	14 926 016
Taxation	19	**–**	1 686 998	**–**	–
(Loss) profit and total comprehensive (loss) income for the year		**(22 270 020)**	20 430 397	**8 890 999**	14 926 016
(Loss) profit and total comprehensive (loss) income attributable to:					
Owners of the parent		**(22 249 352)**	20 405 272	**8 890 999**	14 926 016
Non-controlling interest		**(20 668)**	25 125	**–**	–
		(22 270 020)	20 430 397	**8 890 999**	14 926 016

		GROUP	
	Note(s)	**2021**	**2020**
Earnings per share information			
Basic and diluted earnings per share (cents)	20	**(63.82)**	61.36

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2021

Figures in Rand	Share capital	Accumulated (loss) profit	Total attributable to equity holders of the group/ company	Non-controlling interest	Total equity
Group					
Balance at 01 March 2019	**165 000 000**	**2 611 664**	**167 611 664**	**182 658**	**167 794 322**
Profit and total comprehensive income for the year	–	20 405 272	20 405 272	25 125	20 430 397
Issue of shares	6 025 800	–	6 025 800	–	6 025 800
Dividends	–	(17 952 000)	(17 952 000)	(17 952)	(17 969 952)
Balance at 01 March 2020	**171 025 800**	**5 064 936**	**176 090 736**	**189 831**	**176 280 567**
Loss and total comprehensive loss for the year	–	(22 249 352)	(22 249 352)	(20 668)	(22 270 020)
Issue of shares	5 541 959	–	5 541 959	–	5 541 959
Dividends	–	(5 541 959)	(5 541 959)	(10 493)	(5 552 452)
Balance at 28 February 2021	**176 567 759**	**(22 726 375)**	**153 841 384**	**158 670**	**154 000 054**
Note(s)	11				
Company					
Balance at 01 March 2019	**165 000 000**	**(3 631 644)**	**161 368 356**	**–**	**161 368 356**
Profit and total comprehensive income for the year	–	14 926 016	14 926 016	–	14 926 016
Issue of shares	6 025 800	–	6 025 800	–	6 025 800
Dividends	–	(17 952 000)	(17 952 000)	–	(17 952 000)
Balance at 01 March 2020	**171 025 800**	**(6 657 628)**	**164 368 172**	**–**	**164 368 172**
Profit and total comprehensive income for the year	–	8 890 999	8 890 999	–	8 890 999
Issue of shares	5 541 959	–	5 541 959	–	5 541 959
Dividends	–	(5 541 959)	(5 541 959)	–	(5 541 959)
Balance at 28 February 2021	**176 567 759**	**(3 308 588)**	**173 259 171**	**–**	**173 259 171**

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2021

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2021**	**2020**	**2021**	**2020**
Cash flows from operating activities					
Cash generated from (used in) operations	21	**18 538 194**	27 299 619	**(515 657)**	(644 468)
Interest income		**27 452**	84 297	**–**	–
Finance costs		**(6 169 008)**	(11 330 127)	**–**	–
Net cash from operating activities		**12 396 638**	16 053 789	**(515 657)**	(644 468)
Cash flows from investing activities					
Additions to investment property	2	**(5 176 087)**	(23 124 176)	**–**	–
Net cash from investing activities		**(5 176 087)**	(23 124 176)	**–**	–
Cash flows from financing activities					
Proceeds from loans from group companies		**–**	–	**42 435 558**	18 529 020
Repayment of loans from group companies		**–**	–	**(13 832 000)**	(6 103 000)
Proceeds from mortgage bond		**36 695 000**	18 868 379	**–**	–
Repayment of mortgage bond		**(17 659 740)**	–	**–**	–
Repayment of loan from parent company		**(28 000 000)**	–	**(28 000 000)**	–
Dividends paid		**–**	(11 926 200)	**–**	(11 926 200)
Net cash from financing activities		**(8 964 740)**	6 942 179	**603 558**	499 820
Total cash movement for the year		**(1 744 189)**	(128 208)	**87 901**	(144 648)
Cash and cash equivalents at the beginning of the year		**3 547 530**	3 675 738	**112 093**	256 741
Total cash and cash equivalents at the end of the year	10	**1 803 341**	3 547 530	**199 994**	112 093

ACCOUNTING POLICIES

1. SIGNIFICANT ACCOUNTING POLICIES

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

1.1 Basis of preparation

The consolidated and separate annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board (IASB) effective at the time of preparing these consolidated and separate annual financial statements, the JSE Listings Requirements, the interpretations issued by the International Financial Interpretations Reporting Committee (IFRIC) and the Companies Act of South Africa, as amended.

These accounting policies are consistent with those applied in the preparation of the previous year's consolidated and separate annual financial statements.

1.2 Consolidation

Basis of consolidation

The consolidated annual financial statements incorporate the separate annual financial statements of the company and all subsidiaries. Subsidiaries are entities which are controlled by the group.

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

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

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

1.3 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the annual financial statements, are outlined as follows:

Valuation of investment properties to fair value

The discounted cash flow of the net operating income valuation method is used which assumes the net operating income for the next 10 years, taking into account the occupancy levels, estimated growth in revenue and operating costs. The discount rate is also adjusted for any projected market, business and financial volatility.

Determining the expected credit loss allowance of financial assets

Judgement is used to determine the recoverability of tenant and related receivables based on security held, experience with similar tenants, the period the amount is overdue and knowledge of the tenant's circumstances.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 Investments in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

1.5 Investment property

Property comprising of freehold land and buildings that is held for long-term rental yields or for capital appreciation or both, is classified as investment property and recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

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

Fair value

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

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

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

A gain or loss arising on disposal of investment property is recognised in profit or loss, measured as the difference between the disposal proceeds and the carrying amount.

1.6 Financial instruments

Classification

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the transaction price of the financial assets or financial liabilities, as appropriate, on initial recognition.

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

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Financial instruments (continued)

Financial Assets

The following categories of financial assets are recognised in the statement of financial position: Loans receivable, cash and cash equivalents, and trade and other receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans receivable

Loans receivable are carried at amortised cost, less provisions made for irrecoverable amounts.

Cash and cash equivalents

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

Trade and other receivables

Trade and other receivables are recognised at originated cost less an allowance for credit notes. The carrying amount of trade and other receivables is reduced by the impairment allowance using a lifetime expected credit loss (ECL) based on reasonable and supportable information that is available at the reporting date about past events, current conditions and a forecast of future economic conditions, taking into account an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes and the time value of money.

Changes in the carrying amount of the allowance account are written off against the allowance account, and the recovery of amounts, subsequent to being written off, are recognised in profit or loss.

Impairment of financial assets

Lifetime expected credit losses are recognised for all financial assets at every reporting period for which there have been significant increases in credit risk since initial recognition, whether assessed on an individual or collective basis.

For certain categories of financial assets, such as loans receivable and trade and other receivables, assets are assessed for impairment on a collective basis, even if they were assessed not to be impaired individually, from initial recognition of the receivables on a collective basis.

Defaulting trade receivables are "non-performing" for more than 60 days.

The group's write-off policy determines that a trade receivable and loan receivable be derecognised only if all avenues of recovery have been exhausted.

Financial liabilities

Financial liabilities are recognised when there is a contractual obligation to deliver cash or another financial asset, or to exchange financial instruments with another entity on potentially unfavourable terms. Financial liabilities consist of loans payable, and trade and other payables. Financial liabilities are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Financial instruments (continued)

Non-hedging derivatives

Classification

Non-hedging derivatives are classified as mandatorily at fair value through profit or loss.

The group enters into a variety of derivative financial instruments in order to manage its exposure to cash flow interest rate risk. Derivatives held by the group which are not in designated hedging relationships, include interest rate swaps.

Recognition and measurement

Derivatives are recognised when the group becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses are recognised in profit and loss for the period.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

1.7 Tax

Current tax assets and liabilities

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

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

Taxation and deferred taxation

Income tax expense comprises current and deferred taxation. Income tax expense is recognised in profit or loss.

Current tax is the expected tax payable on taxable income, after deducting the qualifying distribution for the period of assessment, using tax rates that have been enacted or substantively enacted by the reporting date and includes adjustments for tax payable in respect of previous years. In accordance with the REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act, No 58 of 1962 (as amended).

The distribution received is presented gross of withholding tax in the annual financial statements.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises:

- From the initial recognition of goodwill in a business combination;
- From the initial recognition of other assets and liabilities in a transaction which is not a business combination and affects neither accounting profit nor taxable income; or
- Differences related to investments in subsidiaries, joint ventures and associates, to the extent that it is probable that they will not reverse in the foreseeable future and the group is able to control the reversal.

Deferred tax is not recognised on the fair value of investment properties. Such items will be realised through sale and, in accordance with the income tax requirements relating to the REIT status, capital gains tax is not applicable.

Deferred tax is not recognised for temporary differences that will form part of future qualifying distributions.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax assets and liabilities and they relate to income tax levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.8 Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

The difference between the amount received and amount recorded as income is recorded as an operating lease asset on the face of the statement of financial position.

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

Income for leases is disclosed under revenue in profit or loss.

Accounting for rental relief discounts

During March 2020 the South African government imposed a national lockdown and declared a state of disaster in response to the COVID-19 pandemic. In line with government guidance, our centre partially closed from 27 March 2020 with only essential tenants being allowed to trade through the "hard-lockdown" period. Gradual re-opening of the stores commenced as lockdown restrictions started easing with most of the tenants able to trade by the third quarter of 2020. We participated in various industry discussion groups which aimed to provide guidance or views on rental relief provided to tenants.

IFRS 16 defines a lease modification as "a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease (for example, adding or terminating the right to use one or more underlying assets, or extending or shortening the contractual lease term)."

The group provided a discount on rentals due, most of which were in arrears. At the date of the agreement the discounts offered related to previous months that had already been invoiced to tenants.

Where the group as lessor granted rental concessions related to past lease payments, the group has elected to treat these as an impairment of the property debtors (debt forgiveness) and not as a lease modification.

1.9 Impairment of assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in profit or loss.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.10 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Ordinary shares are classified as equity.

1.11 Employee benefits

Short-term employee benefits

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

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

1.12 Revenue

Revenue comprises gross rental revenue including all recoveries from tenants, excluding value-added taxation. Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Recoveries from tenants are recognised as revenue when the recovery becomes due by the tenant. Lease incentives granted are recognised as an integral part of the total rental income over the lease period.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.13 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred and are calculated using the effective interest rate method.

1.14 Segmental reporting

An operating segment is a component of an entity:

(a) that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(b) whose operating results are regularly reviewed by the entity's chief executive officer to make decisions about resources to be allocated to the segment and assess its performance, and

(c) for which discrete financial information is available.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.15 Earnings, distributable earnings and distribution per share

Earnings per share

The group presents basic earnings per share and headline earnings per share for its shares.

Basic earnings per share is calculated by dividing the profit attributable to equity holders by the weighted average number of shares in issue during the year.

Headline earnings per share is calculated by dividing the headline earnings attributable to equity holders by the weighted average number of shares in issue during the period, in compliance with circular 1/2019 by The South African Institute of Chartered Accountants.

Distribution per share

Distribution per share is calculated by dividing the dividend declared by the board, by the total number of shares in issue at year end. Dividend distributions to the company's shareholders are recognised as a liability in the company financial statements in the year in which the dividends are approved by the company's directors.

SA REIT Funds from operations per share

SA REIT funds from operations per share is calculated by dividing the SA REIT funds from operations by the total number of shares in issue at year end. SA REIT funds from operations is calculated in compliance with the recommendations of best practice from the SA REIT Association and exclude all those items that are traditionally not distributed, such as capital profits/losses from the disposal of investment property and fair value adjustments.

1.16 Net asset value per share

Net asset value per share is calculated by dividing the net assets by the total number of shares in issue at year end. Net assets comprise total assets less total liabilities, less equity attributable to non-controlling interests.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

2. INVESTMENT PROPERTY

	GROUP	
Figures in Rand	**2021**	**2020**
Investment property at fair value	**310 560 482**	338 798 677

Reconciliation of investment property

Figures in Rand	**2021**	**2020**
Opening balance	**338 798 677**	309 400 474
Improvements	**5 176 087**	23 124 176
Transfer from property, plant and equipment	**–**	497 990
Fair value adjustment	**(33 414 282)**	5 776 037
Investment property at fair value	**310 560 482**	338 798 677
Operating lease asset	**6 487 523**	6 701 323
Valuation	**317 048 005**	345 500 000

Pledged as security

The mortgage bond has been registered over the entire investment property as security for the mortgage bond described in note 13.

Details of property

Pier 14 Shopping Centre

A retail shopping centre located in Port Elizabeth with a GLA of 29 690 square metres including a residential tower comprising 111 apartments.

This property consists of erven no. 3801 and 3536 situated in the Nelson Mandela Metropolitan Municipality held under title deed no. T19792/2007 and T20268/1994.

No contractual obligations exist to construct or develop investment property or for repairs, maintenance or enhancements.

A register containing the information required by Regulation 25(3) of the Companies Regulations, 2011 is available for inspection at the registered office of the company.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

2. INVESTMENT PROPERTY (continued)

Details of valuation

The property was valued internally by the directors (2020: independent valuation performed by Michael Gibbons at Mills Fitchet Magnus Penny & Wolffs) using the discounted cash flow of future income streams method.

The key assumptions used by the directors and valuer in determining the fair value were as follows:

	2021
Discount rate	15.00%
Exit cap rate	10.90%
Expense growth rate	6.00%
Income growth rate	6.00%
Discounted cash flow term	10 years

	2020
Discount rate	15.50%
Market cap rate	9.50%
Expense growth rate	7.00%
Income growth rate	6.00%
Discounted cash flow term	10 years

Inter-relationship between key unobservable inputs and fair value measurements

The estimated fair value would increase/(decrease) if:

- Discount rate was lower (higher)
- Capitalisation rate was lower (higher)
- Expected expense growth rate was lower (higher)
- Expected market rental growth rate was higher (lower)

The COVID-19 pandemic resulted in Castleview providing meaningful rental assistance to its tenants in the form of rental reductions, in order to assist tenants in reducing their business costs and maintaining their profitability or minimising their losses. In addition to this, as leases came up for renewal over the reporting period, certain rentals were concluded at levels below those that were budgeted for. As a result, the forecast income from Pier 14 is lower than previously anticipated, which has had a knock-on effect on the property's valuation.

Valuation sensitivity

The estimated impact of a change in the following significant unobservable inputs would result in a change in the valuation as follows:

Sensitivity analysis	2021	2020
An increase of 100 basis points on the discount rate	(18 284 467)	–
A decrease of 100 basis points on the discount rate	19 860 731	–
An increase of 100 basis points on the capitalisation rate	(10 596 555)	–
A decrease of 100 basis points on the capitalisation rate	12 737 464	–
An increase of 100 basis points on the capitalisation and discount rates	–	(32 265 000)
A decrease of 100 basis points on the capitalisation and discount rates	–	39 460 000
Amounts recognised in profit and loss for the year		
Rental income from investment property	49 611 519	45 492 823
Direct operating expenses from rental generating property	(23 997 609)	(16 010 174)
	25 613 910	29 482 649

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

3. DERIVATIVES

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Non-hedging derivatives				
Interest rate swaps at fair value	**1 967 663**	–	**–**	–

The group has entered into two separate interest rate swaps, as defined by the International Swaps and Derivatives Association ("ISDA"), with ABSA Bank Limited to limit its exposure to potential interest rate fluctuations.

The group has chosen not to apply hedge accounting.

Details	**ISDA 1**	**ISDA 2**
Notional amount	82 500 000	41 250 000
Fixed rate	4.51%	5.16%
Termination date	30 April 2024	30 April 2025

4. OPERATING LEASE ASSET

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Non-current assets	**6 058 155**	6 701 323	**–**	–
Current assets	**429 368**	–	**–**	–
	6 487 523	6 701 323	**–**	–
Reconciliation of the operating lease asset				
Balance at the beginning of the year	**6 701 323**	4 381 230		
Current year movement	**(213 800)**	2 320 093		
	6 487 523	6 701 323		

Future minimum lease payments

At year end, the future minimum lease payments under non-cancellable leases receivable were as follows:

	GROUP	
Figures in Rand	**2021**	**2020**
Period		
– within one year	**30 885 199**	31 050 099
– between two and five years	**66 836 478**	57 441 566
– more than five years	**16 496 225**	16 124 272
	114 217 902	104 615 937

During the current year, the majority of lease agreements that were not renewed were replaced with new tenants, resulting in a very small change in the operating lease asset.

The company's investment property is held to generate rental income. Rental of property is expected to generate approximately rental yields of 10% on an ongoing basis. Lease agreements have terms from 1 to 10 years. There is no contingent rent receivable.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

5. PROPERTY, PLANT AND EQUIPMENT

Reconciliation of property, plant and equipment – Group – 2020

Figures in Rand	Opening balance	Disposals	Transfer to investment property	Depreciation	Total
Plant and machinery	1 149 373	(617 945)	(481 548)	(49 880)	–
Furniture and fixtures	8 636	–	–	(8 636)	–
Motor vehicles	5 000	–	(5 000)	–	–
Office equipment	1 572	–	(957)	(615)	–
Computer equipment	17 476	–	(9 635)	(7 841)	–
Signage	36 239	–	(850)	(35 389)	–
	1 218 296	(617 945)	(497 990)	(102 361)	–

6. INVESTMENTS IN SUBSIDIARIES

The following table lists the entities which are controlled by the group, either directly or indirectly through subsidiaries.

			COMPANY					
Name of company	Held by	Nature of investment	% voting power 2021	% voting power 2020	% holding 2021	% holding 2020	Carrying amount 2021	Carrying amount 2020
Direct:								
Castleview One Proprietary Limited	Castleview Property Fund Limited	Investment entity	**100.00%**	100.00%	**100.00%**	100.00%	**165 000 000**	165 000 000
Indirect:								
FEC Prop Proprietary Limited	Castleview One Proprietary Limited	Property investment	**99.90%**	99.90%	**99.90%**	99.90%	**–**	–
							165 000 000	165 000 000

No impairment losses have been recognised to date.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

7. LOANS TO (FROM) GROUP COMPANIES

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Subsidiaries				
Castleview One Proprietary Limited	–	–	**31 408 184**	48 915 675
FEC Prop Proprietary Limited	–	–	**(13 893 579)**	(13 290 020)
These loans are unsecured, interest-free and are repayable on demand.				
The fair value of loans receivable and payable are estimated to approximate their carrying value due to the short-term nature of these loans.				
The company's write-off policy determines that a loan receivable be derecognised only if all avenues of recovery have been exhausted.				
The credit risk of these loans is low considering, inter alia, that the subsidiaries property value and rental yield are expected to remain at or above current levels. The net asset value of each subsidiary is sufficient to cover the value of their loan and therefore management considers the loans recoverable. All available forward looking information, including estimates of economic growth, the expected value of the investment properties and forecast of retail sales, were taken into account, which indicated an immaterial expected credit loss and consequently the loans were not impaired.				
	–	–	**17 514 605**	35 625 655
Split between non-current and current portions				
Current assets	–	–	**31 408 184**	48 915 675
Current liabilities	–	–	**(13 893 579)**	(13 290 020)
	–	–	**17 514 605**	35 625 655

8. LOAN FROM PARENT COMPANY

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Urban Retail Property Investments 1 Proprietary Limited	**9 703 640**	36 636 847	**9 703 640**	36 636 847
This four-year loan facility is due and payable in full on 31 December 2021. The loan bears interest at the South African prime overdraft rate less 0.25% and is unsecured. Interest on this facility is capitalised to the loan for the duration of the loan and is repayable annually in arrears on 31 December each year.				
The capitalised interest due and payable on 31 December 2020 was mutually agreed by both parties to be deferred and repaid at the end of the loan term. The loan is repayable on 31 December 2021 and negotiations are currently underway regarding the renewal of this loan.				
During the current reporting period a voluntary prepayment was made on the shareholder's loan in the amount of R28 million, funded through a drawdown from the ABSA mortgage bond.				
The credit risk of the borrower has not changed significantly from origination of the loan. The fair value of the loan payable is estimated to approximate its carrying value due to the interest being market related for similar entities and the credit risk of the borrower that has not changed significantly from origination of the loan.				
Split between non-current and current portions				
Non-current liabilities	–	36 063 748	–	36 063 748
Current liabilities	**9 703 640**	573 099	**9 703 640**	573 099
	9 703 640	36 636 847	**9 703 640**	36 636 847

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Financial instruments:				
Trade receivables	**4 246 524**	2 775 223	**–**	–
Loss allowance	**(2 812 717)**	(1 519 511)	**–**	–
Trade receivables at amortised cost	**1 433 807**	1 255 712	**–**	–
Amounts due from related parties	**304 762**	304 762	**304 762**	304 762
Prepayment on Cravenby Shopping Centre	**1 000 000**	–	**–**	–
Rental guarantee	**1 150 146**	1 150 146	**–**	–
Other receivables	**619 911**	512 793	**–**	–
Total trade and other receivables	**4 508 626**	3 223 413	**304 762**	304 762

A rental guarantee was provided in 2018 for a period of 2 years by the seller of the centre. In terms of the contract, the Group had the contractual right to receive cash to the extent that actual rental income was below the rental guaranteed amounts. The right to claim the cash in respect of the rental shortfall was never exercised up to year end. Subsequent to year end this financial asset was fully recovered.

Exposure to credit risk

Trade receivables inherently expose the group to credit risk, being the risk that the group will incur financial loss if customers fail to make payments as they fall due.

The group has a small tenant base comprising less than a hundred tenants. Management actively monitors tenant balances to identify specific expected losses on rental payments. In the current year, specific expected credit losses amounted to R1.3 million. Data considered in the estimation of expected credit losses is derived from the age analysis and includes receivables for the past 24 months as well as the average collection days of 30 days. A loss rate of 100% is applied to all balances that are non-performing for more than 60 days. A loss rate of 0% has been applied to balances less than 60 days as there has been immaterial risk relating to such balances historically. Management considered forward-looking information including economic trends impacting our retail tenants who include clothing stores, banks, restauranteurs and mobile phone operators. No amendment was made to expected losses after considering forward-looking information as the loss rates used were deemed an appropriate measure of expected losses after considering future economic expectations. The model applied by the group does not produce a materially different result to a detailed incurred loss model.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions as the group's tenant base is diverse.

There have been no significant changes in the credit risk management policies and processes since the prior reporting period.

Fair value of trade and other receivables

The fair value of trade and other receivables approximates their carrying amounts due to the short-term nature of these receivables.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

9. TRADE AND OTHER RECEIVABLES (continued)

	GROUP	
Figures in Rand	**2021**	**2020**
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	**1 519 511**	1 282 730
Increase in loss allowance recognised in profit or loss during the period:		
Impairment as a result of specific expected credit losses	**1 293 206**	236 781
Impairment as a result of rental debt forgiveness	**4 400 805**	–
Derecognition of impairment allowances	**(4 400 805)**	–
	2 812 717	1 519 511

10. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Cash and cash equivalents consist of:				
Cash on hand	**3 251**	5 913	**–**	–
Bank balances	**1 800 090**	3 543 293	**199 994**	112 093
Bank overdraft	**–**	(1 676)	**–**	–
	1 803 341	3 547 530	**199 994**	112 093
Current assets	**1 803 341**	3 549 206	**199 994**	112 093
Current liabilities	**–**	(1 676)	**–**	–
	1 803 341	3 547 530	**199 994**	112 093

The carrying value of cash and cash equivalents approximates its fair value, due to the short-term nature of these balances.

All cash at bank are held by major, reputable financial institutions that management believes are of high credit quality and accordingly minimal credit risk exists.

The carrying amounts of cash and cash equivalents represent the maximum credit exposure.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

11. SHARE CAPITAL

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Authorised				
1 000 000 000 Ordinary shares of no par value	–	–	–	–
Reconciliation of number of shares issued:				
Opening balance	34 188 520	33 000 000	34 188 520	33 000 000
Issue of shares	1 076 107	1 188 520	1 076 107	1 188 520
	35 264 627	34 188 520	35 264 627	34 188 520

The unissued ordinary shares are under the control of the directors in terms of a resolution of shareholders passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

The shares issued during the current year were issued pursuant to a share/dividend re-investment alternative.

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Issued				
Ordinary shares of no par value	176 567 759	171 025 800	176 567 759	171 025 800

12. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Financial instruments:				
Trade payables	471 079	280 449	–	–
Deposits received	4 236 465	4 005 675	–	–
Other payables	1 326 647	1 321 961	56 550	37 491
Non-financial instruments:				
Amounts received in advance	1 345 965	1 154 403	–	–
Value-Added Taxation	165 958	2 997 744	–	–
	7 546 114	9 760 232	56 550	37 491

Fair value of trade and other payables

The fair value of trade and other payables approximates their carrying amounts due to the short-term nature of these payables.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

13. MORTGAGE BOND

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
At amortised cost				
ABSA Bank	**154 077 827**	129 593 297	**–**	–

The loan bears interest at the South African prime interest rate less 1% per annum, and is on an interest only repayment profile.

During the year, in order to facilitate the company's management of cash flows through the COVID-19 pandemic, approval was granted by the financier for a moratorium of interest payments for a period of 6 months effective 10 May 2020. A commensurate 6 month extension was granted on the loan term, with the new effective expiry date of the loan being 26 April 2021.

Subsequent to year end, the ABSA Bank Limited facility was also extended to 10 April 2024, at which point the loan will be repayable in full.

The following security cession and credit support were provided:

- Cession in security of rights in and to all leases and rentals in respect of the investment property;
- Proceeds on any sale or transfer of the investment property;
- Revenues in respect of the investment property;
- Any claims in respect of insurance policies and insurance proceeds;
- Limited guarantees by I Group Investments Proprietary Limited for the amount of R25 000 000, including cession of claims and loan accounts;
- A subordination agreement in terms of which all claims by Urban Retail Property Investments 1 Proprietary Limited in I Group Investments Proprietary Limited are subordinated in favour of ABSA Bank Limited; and
- An undertaking by I Group Investments Proprietary Limited to cover all funds needed for cash flow and interest shortfalls in respect of the investment property.

Subsequent to year end, I Group Investments Proprietary Limited was released as guarantor in respect of the ABSA mortgage bond.

14. REVENUE

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Property rental income	**40 196 665**	40 640 725	**–**	–
Interest received	**–**	–	**–**	10 520
Dividends received	**–**	–	**10 494 364**	18 980 122
Recoveries*	**9 414 854**	4 852 098	**–**	–
	49 611 519	45 492 823	**10 494 364**	18 990 642

* *Recoveries increased significantly during the year due to the group assuming the full electricity costs at Pier 14, which were previously taken on by a service provider and, in return, the group benefited from the recoveries of the these costs from tenants.*

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

15. OPERATING PROFIT

Operating profit for the year is stated after charging (crediting) the following, amongst others:

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Employee costs				
Salaries, wages, bonuses and other benefits	**1 850 558**	1 757 975	**–**	–
Other				
Asset management fees	**1 707 052**	1 725 544	**–**	–
Cleaning	**1 618 548**	1 401 003	**–**	–
Electricity	**5 386 448**	1 861 279	**–**	–
Rates and taxes	**2 956 491**	2 738 289	**–**	–
Rental debt forgiveness	**4 400 805**	–	**–**	–
Repairs and maintenance	**1 769 383**	1 407 631	**–**	–
Security	**2 324 427**	1 901 860	**–**	–

During the period Castleview gave rental discounts to tenants totalling R4,4m in order to assist tenants through the extremely tough operating period. Notwithstanding the rental discounts given to tenants, revenue for the period at R49,6m was higher than the comparable period of R45,5m due to the company assuming the full electricity costs at Pier 14, which were previously taken on by a service provider and, in return, benefiting from the recoveries of these costs from tenants. Operating costs primarily increased from the assumption of these costs, together with the debt forgiveness provided to tenants.

16. INVESTMENT INCOME

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Interest income				
Investments in financial assets:				
Bank	**27 452**	84 297	**–**	–

17. FINANCE COSTS

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Parent company	**1 066 793**	3 427 165	**1 066 793**	3 427 165
Bank overdraft	**–**	12 757	**–**	12 757
Mortgage bond	**10 775 270**	11 739 545	**–**	–
Interest rate swaps	**826 940**	–	**–**	–
Other interest paid	**5 575**	309	**–**	–
Total finance costs	**12 674 578**	15 179 776	**1 066 793**	3 439 922

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

18. FAIR VALUE ADJUSTMENTS

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Fair value (losses) gains				
Investment property	**(33 414 282)**	5 776 037	**–**	–
Interest rate swaps	**1 967 663**	–	**–**	–
	(31 446 619)	5 776 037	**–**	–

19. TAXATION

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Major components of the tax income				
Current				
Local income tax – overprovision in prior years	**–**	(1 686 998)	**–**	–
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting (loss) profit	**(22 270 020)**	18 743 399	**8 890 999**	14 926 016
Tax at the applicable tax rate of 28% (2020: 28%)	**(6 235 606)**	5 248 152	**2 489 480**	4 179 284
Tax effect of adjustments on taxable income				
S25BB qualifying distribution (REIT)	**(2 626 234)**	(3 207 789)	**(2 489 480)**	(4 179 284)
Fair value adjustments	**9 355 999**	(1 671 290)	**–**	–
Unrecognised deferred tax	**494 159**	(369 073)	**–**	–
Prior period overprovision of income tax	**–**	(1 686 998)	**–**	–
	–	(1 686 998)	**–**	–

No provision has been made for tax as the group and company have no taxable income. The group is considered a Real Estate Investment Trust (REIT) enterprise and as such there is a qualifying allowance in terms of S25BB which allows for a deduction limited to taxable income.

During the 2020 financial year, the provision for 2018 taxation was reversed due to the subsequent declaration of a qualifying distribution out of profits from the 2018 financial year. This additional dividend was declared subsequent to receiving a legal opinion confirming that the group would qualify for a S25BB deduction relating to the 2018 tax period. This reversal is a non-recurring adjustment.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

20. PER SHARE INFORMATION

	GROUP	
	2021	2020
(Loss) profit attributable to shareholders	(22 249 352)	20 405 272
Loss (gain) on fair value adjustment	33 414 282	(5 776 037)
Total non-controlling interest effects of adjustments	(33 415)	5 776
Headline earnings	11 131 515	14 635 011
Lease straight-lining adjustment	213 800	(2 320 093)
Depreciation	–	102 361
Gain on interest rate swap	(1 967 663)	–
Total non-controlling interest effects of adjustments	1 754	2 220
SA REIT funds from operations	9 379 406	12 419 499
Number of shares in issue	35 264 627	34 188 520
Weighted average number of ordinary shares in issue	34 863 677	33 253 985
Earnings per share (c)	(63.82)	61.36
Headline earnings per share (c)	31.93	44.01
SA REIT funds from operations per share (c)	26.60	36.33
Net asset value per share (c)	436.70	515.06
Distribution per share (c)	26.60	32.05

The company does not have any potentially dilutionary instruments in issue.

21. CASH GENERATED FROM/(USED IN) OPERATIONS

	GROUP		COMPANY	
Figures in Rand	2021	2020	2021	2020
(Loss) profit before taxation	(22 270 020)	18 743 399	8 890 999	14 926 016
Adjustments for:				
Depreciation	–	102 361	–	–
Dividends received	–	–	(10 492 509)	(18 980 122)
Interest income	(27 452)	(84 297)	–	–
Finance costs	12 674 578	15 179 776	1 066 793	3 427 165
Fair value losses (gains)	31 446 619	(5 776 037)	–	–
Movements in operating lease assets	213 800	(2 320 093)	–	–
Movement in allowance for credit losses	1 293 206	236 781	–	–
Changes in working capital:				
Trade and other receivables	(2 578 419)	69 294	–	(19 762)
Trade and other payables	(2 214 118)	1 148 435	19 060	2 235
	18 538 194	27 299 619	(515 657)	(644 468)

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

22. RELATED PARTIES

	GROUP		COMPANY	
Figures in Rand	**2021**	**2020**	**2021**	**2020**
Relationships				
Ultimate holding company	Urban Retail Property Investments 1 Proprietary Limited			
Subsidiaries	Refer to note 6			
Companies under common directorship	Castleview Asset Managers Proprietary Limited			
Related party balances				
Loan accounts owing (to) from subsidiaries				
Subsidiaries	**–**	–	**31 408 184**	48 915 675
Subsidiaries	**–**	–	**(13 893 580)**	(13 290 020)
Loan account owing to parent company				
Ultimate holding company	**(9 703 640)**	(36 636 847)	**(9 703 640)**	(36 636 847)
Other receivables owing by companies under common directorships				
Companies under common directorships	**304 762**	304 762	**304 762**	304 762
Related party transactions				
Interest capitalised on loan owing to parent company				
Ultimate holding company	**1 066 794**	3 427 165	**1 066 794**	3 427 165
Asset management fees paid to companies under common directorships				
Companies under common directorships	**1 707 052**	1 725 544	**–**	–
Compensation to directors and other key management				
Short-term employee benefits	**538 200**	552 000	**–**	–

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

23. DIRECTORS' EMOLUMENTS

	2021	
Figures in Rand	**Directors' fees**	**Total**
Executive and non-executive		
Directors' emoluments		
Services as director or prescribed officer		
G C Bayly*	**151 800**	**151 800**
D J Green*	**151 800**	**151 800**
A Mohamed*	**57 500**	**57 500**
A Padayachee*	**151 800**	**151 800**
R G Volks*	**25 300**	**25 300**
	538 200	**538 200**

* *Non-executive director*

	2020	
	Directors' fees	**Total**
Directors' emoluments		
Services as director or prescribed officer		
G C Bayly*	138 000	138 000
D J Green*	138 000	138 000
A Padayachee*	138 000	138 000
R G Volks*	138 000	138 000
	552 000	552 000

* *Non-executive director*

Other information

No remuneration is paid to C P Dockrall, the financial director of the group as his current employer has agreed to devote a portion of his time for no consideration until such time as the group grows and acquires more assets.

No remuneration was paid to J W A Templeton by the group or Castleview Asset Managers (Pty) Ltd during the year. J W A Templeton is however a beneficiary through his indirect 33.33% (2020: 100%) shareholding in Castleview Asset Managers (Pty) Ltd. R1 042 897 (2020: R1 725 544) of the asset management fees paid by the group to Castleview Asset Managers (Pty) Ltd during the year accrued to J W A Templeton though his indirect shareholding in Castleview Asset Managers (Pty) Ltd.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

24. CATEGORIES OF FINANCIAL INSTRUMENTS

Figures in Rand	2021 Financial liabilities at amortised cost	2021 Financial assets at fair value through profit and loss	2021 Financial assets at amortised cost	2020 Financial liabilities at amortised cost	2020 Financial assets at amortised cost
Group					
Assets					
Non-current assets					
Derivatives	–	1 967 663	–	–	–
Current assets					
Trade and other receivables**	–	–	3 508 626	–	3 223 413
Cash and cash equivalents	–	–	1 803 341	–	3 549 206
	–	–	5 311 967	–	6 772 619
Liabilities					
Non-current liabilities					
Loan from parent company	–	–	–	36 063 748	–
Current liabilities					
Mortgage bond	154 077 827	–	–	129 593 297	–
Loan from parent company	9 703 640	–	–	573 099	–
Trade and other payables*	6 034 191	–	–	5 608 085	–
Bank overdraft	–	–	–	1 676	–
	169 815 658	–	–	135 776 157	–
Company					
Assets					
Current assets					
Loans to group companies	–	–	31 408 184	–	48 915 675
Trade and other receivables	–	–	304 762	–	304 762
Cash and cash equivalents	–	–	199 994	–	112 093
	–	–	31 912 940	–	49 332 530
Liabilities					
Non-current liabilities					
Loans from parent company	–	–	–	36 063 748	–
Current liabilities					
Trade and other payables*	56 550	–	–	37 491	–
Loans from group companies	13 893 579	–	–	13 290 020	–
Loans from parent company	9 703 640	–	–	573 099	–
	23 653 769	–	–	13 900 610	–

* *Value-added tax and amounts received in advance are non-financial liabilities and are excluded from above.*

** *Prepayments are non-financial assets and are excluded from above.*

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

25. RISK MANAGEMENT

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 8 & 13, cash and cash equivalents disclosed in note 10, and equity as disclosed in the consolidated and separate statement of financial position. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. REIT legislation requires that a minimum of 75% of distributable income be distributed to shareholders annually.

Consistent with others in the industry, the group monitors capital on the basis of the loan-to-value ratio. The loan-to-value ratio is calculated by dividing interest bearing borrowings, net of cash on hand, by the total of investment properties.

The group's strategy is to maintain a loan-to-value ratio of between 45% to 55%. REIT legislation requires that the loan-to- value ratio be below 60%.

The loan-to-value ratio at 2021 and 2020 was as follows:

- Loan to value ratio 50.5% (2020: 47.1%)

Financial risk management

Credit risk

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

Credit risk consists mainly of cash and cash equivalents, group company loans and other trade debtors. The company only deposits cash with major banks with high quality credit standing.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The Group only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is assessed individually for creditworthiness before terms and conditions are offered, which involves making use of information submitted by the counterparties as well as external bureau data (where available). The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The group mitigates its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. Committed borrowing facilities are available for meeting liquidity requirements and the group manages the liquidity risk through an ongoing review of commitments and credit facilities.

Subsequent to year end, the ABSA facility was extended to 10 April 2024, at which point the loan will be repayable in full. As a result of the extension of this facility and the negotiations regarding the renewal of the shareholder loan mentioned above, the Board believes that the group's financial position is appropriately structured for the foreseeable future.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated and separate statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

25. RISK MANAGEMENT (continued)

Figures in Rand	Note	Less than 1 year	Total
Group – 2021			
Trade and other payables*	12	**6 034 189**	**6 034 189**
Loan from parent company	8	**10 321 828**	**10 321 828**
Mortgage bond	13	**155 475 370**	**155 475 370**

Figures in Rand	Note	Less than 1 year	Between 1 and 2 years	Total
Group – 2020				
Trade and other payables*	12	5 608 088	–	5 608 088
Loan from parent company	8	3 426 056	36 063 748	39 489 804
Mortgage bond	13	136 207 955	–	136 207 955

Figures in Rand	Note	Less than 1 year	Total
Company – 2021			
Trade and other payables*	12	**56 549**	**56 549**
Loans from group companies	7	**13 893 579**	**13 893 579**
Loan from parent company	8	**10 321 828**	**10 321 828**

Figures in Rand	Note	Less than 1 year	Between 1 and 2 years	Total
Company – 2020				
Trade and other payables*	12	37 491	–	37 491
Loans from group companies	7	13 290 020	–	13 290 020
Loan from parent company	8	3 426 056	36 063 748	39 489 804

* *Value-added tax and amounts received in advance are non-financial liabilities and are excluded from above.*

Interest rate risk

The group's interest rate risk arises from various borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. During 2021, the group entered into interest rate swap agreements, such that 75% of the mortgage bond linked to a floating rate, was swapped for a fixed rate effectively fixed in two tranches expiring in April 2024 and April 2025 at a weighted all-in rate of 6.98%. This swap agreement hedges a significant portion of the mortgage bond, reducing the group's exposure to cash flow interest rate risk substantially.

Management continues to monitor the local and global interest rate environment on an ongoing basis.

At 28 February 2021, if interest rates on Rand-denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R2 012 831 (2020: R1 234 816) lower/higher for the group, and R210 337 (2020: R272 164) lower/higher for the company, mainly as a result of higher/lower interest expense on floating rate borrowings.

Exposure to interest rate risk

The group is exposed to interest rate risk on its financial liabilities. Interest rates on all financial liabilities compare favourably with those rates available in the market. When necessary, interest rate swaps are entered into. Risk exposure as a result of interest rates is moderate and is mitigated by a surplus of cash in the group. There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

25. RISK MANAGEMENT (continued)

Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of rising interest rates on fair value interest rate risk. Refer to note 3.

Interest rate profile

The interest rate profile of interest bearing financial instruments at the end of the reporting period was as follows:

		Year end rates		Carrying amount	
Figures in Rand	**Note**	**2021**	**2020**	**2021**	**2020**
Group					
Variable rate instruments:					
Assets					
Derivatives	3	**3.64%**	–%	**1 967 663**	–
Cash in current banking institutions	10	**3.50%**	6.25%	**1 803 341**	3 543 293
				3 771 004	3 543 293
Liabilities					
Loan from parent company	8	**6.75%**	9.50%	**9 703 640**	36 636 847
Bond over property – floating rate	13	**6.00%**	8.75%	**154 077 827**	129 593 297
				163 781 467	166 230 144

		Year end rates		Carrying amount	
Figures in Rand	**Note**	**2021**	**2020**	**2021**	**2020**
Company					
Variable rate instruments:					
Assets					
Loans to group companies	8	**–%**	–%	**31 408 184**	48 915 675
Cash in current banking institutions	10	**3.50%**	6.25%	**199 994**	112 093
				31 608 178	49 027 768
Liabilities					
Loans from group companies	7	**–%**	–%	**13 893 579**	13 290 020
Loan from parent company	8	**6.75%**	9.50%	**9 703 640**	36 636 847
				23 597 219	49 926 867

Interest rate swaps

Certain interest rate swaps have been entered into in order to mitigate against the effect of changes in interest rates.

Figures in Rand	Note	Nominal amount	Fair value of contract
Group – 2021			
ABSA Bank Limited	4	**123 750 000**	**125 717 663**

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

26. FAIR VALUE INFORMATION

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Fair value hierarchy for financial instruments and investment property

Details of changes in valuation techniques

There have been no significant changes in valuation techniques in the period under review.

Significant transfers between level 1, level 2 and level 3

There have been no transfers between level 1, level 2 and level 3 financial instruments, derivatives and investment property for the period under review.

Valuation techniques

Valuation techniques used in determining the fair values of assets in level 2 and 3.

Level	Instrument	Valuation basis	Main assumptions
2	Derivatives	Quoted swap rates and inter-bank borrowing rates	Price-not applicable
3	Investment properties	Discounted cash flow	Refer to note 2 for detail regarding assumptions

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2021**	**2020**	**2021**	**2020**
Levels of fair value measurements					
Level 2					
Recurring fair value measurements					
Assets					
Derivatives					
Interest rate swaps	3	**1 967 663**	–	**–**	–
Total		**1 967 663**	–	**–**	–
Level 3					
Recurring fair value measurements					
Assets					
Investment property					
Pier 14 Shopping Centre (*)	2	**317 048 005**	345 500 000	**–**	–
Total		**317 048 005**	345 500 000	**–**	–

* *Includes investment property and operating lease asset.*

The fair value of trade and other receivables, cash and cash equivalents and trade and other payables approximate their carrying value and are not included in the hierarchy analysis as their settlement terms are short-term and therefore from a materiality perspective their fair values are not required to be modelled.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

26. FAIR VALUE INFORMATION (continued)

Reconciliation of assets measured at level 3

Figures in Rand	Note(s)	Opening	Gains (losses) recognised in profit (loss)	Improvements	Movements in operating lease asset	Transfers	Closing balance
Group – 2021							
Investment property	3						
Pier 14 Shopping Centre		**345 500 000**	**(33 414 282)**	**5 176 087**	**(213 800)**	**–**	**317 048 005**
Group – 2020							
Assets							
Investment property	3						
Pier 14 Shopping Centre		313 781 704	5 776 037	23 124 176	2 320 093	497 990	345 500 000

Gains and losses recognised in profit or loss are included in fair value adjustments on the Consolidated and Separate Statements of Profit and Loss and Other Comprehensive Income.

27. DIVIDEND PAYABLE

A final gross dividend of 26.60000 cents per share was approved by the board of directors on 25 May 2021 in respect of the year ended 28 February 2021. The board provided shareholders with a share reinvestment alternative in respect of the dividend.

A final gross dividend of 15.34000 cents per share was approved by the board of directors on 10 June 2020 in South African currency in respect of the 6 months ended 29 February 2020.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

28. SEGMENT ANALYSIS

Segment information

At 28 February 2021, the group is organised into two operating segments, being retail and residential. These are the only reportable segments whose information is considered by the Chief Executive Officer.

As at 29 February 2020, the group was organised into one main operating segment as the residential conversion at Pier 14 Shopping Centre located in Govan Mbeki Road, Port Elizabeth was not substantially completed.

	Retail	Residential	Administration/ other*	Total
Revenue	46 702 171	2 907 493	1 855	49 611 519
Property operating expenses	(23 356 512)	(641 097)	–	(23 997 609)
Administrative expenses	–	–	(3 790 185)	(3 790 185)
Operating profit (loss)	23 345 659	2 266 396	(3 788 330)	21 823 725
Investment income	–	–	27 452	27 452
Loss on fair value adjustment	(33 414 282)	–	–	(33 414 282)
Finance costs	–	–	(12 674 578)	(12 674 578)
Gain on interest rate swap	–	–	1 967 663	1 967 663
(Loss) profit before taxation	(10 068 623)	2 266 396	(14 467 793)	(22 270 020)
Taxation	–	–	–	–
(Loss) profit for the year	(10 068 623)	2 266 396	(14 467 793)	(22 270 020)
Non-controlling interest	20 668	–	–	20 668
(Loss) profit attributable to owners of the parent	(10 047 955)	2 266 396	(14 467 793)	(22 249 352)
Reconciliation of profit for the year to SA REIT fund from operations				
Loss on fair value adjustment				33 414 282
Total non-controlling interest effects of adjustments				(33 415)
Headline earnings				11 131 515
Lease straight-lining adjustment				213 800
Gain on interest rate swap				(1 967 663)
Total non-controlling interest effects of adjustments				1 754
SA REIT Fund from operations				9 379 406

* *Administration and other costs include expenses and investment income that cannot be allocated specifically to the operating segments.*

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS (continued)

28. SEGMENT ANALYSIS (continued)

The amounts provided to management with respect to total assets and liabilities are measured in a manner consistent with that in the statement of financial position. These assets and liabilities are allocated on the operations of the segment.

	Retail	Residential	Administration/ other*	Total
Assets				
Investment property	285 583 207	24 977 275	–	310 560 482
Operating lease asset	6 487 523	–	–	6 487 523
Derivatives	–	–	1 967 663	1 967 663
Trade and other receivables	4 203 864	–	304 762	4 508 626
Cash and cash equivalents	–	–	1 803 341	1 803 341
	296 274 594	24 977 275	4 075 766	325 327 635
Liabilities				
Other financial liabilities	–	–	154 077 827	154 077 827
Loan from parent company	–	–	9 703 640	9 703 640
Trade and other payables	7 388 453	122 405	35 256	7 546 114
	7 388 453	122 405	163 816 723	171 327 581

* *Administration and other costs include assets and liabilities that cannot be allocated specifically to the operating segments.*

29. EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 26.60000 cents per share was approved by the board of directors on 25 May 2021 in respect of the year ended 28 February 2021. The board approved a share reinvestment alternative in respect of these dividends, with all shareholders electing to reinvest the dividend.

As announced on SENS on 16 February 2021, FEC Prop Proprietary Limited, a 99.9% owned subsidiary of Castleview, concluded an agreement to acquire the property letting enterprise known as Cravenby Shopping Centre for an aggregate purchase consideration of R39 million to be funded by a new debt facility from ABSA Bank Limited.

Subsequent to year-end, as announced to shareholders on SENS on 31 March 2021, the ABSA facility was extended by a further three years to 10 April 2024 at a rate of 3m JIBAR plus 2.40% in respect of facility A (R150m) and prime less 1% for facility B (R15m).

Castleview One Proprietary Limited purchased the minority shareholding of FEC Prop Proprietary Limited subsequent to year end, and consequently now holds 100% of FEC Prop Proprietary Limited.

The group has provided security for the purchase price of Cravenby Shopping Centre in the form of a bank guarantee.

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

30. GOING CONCERN

The directors believe that the group and company have adequate financial resources to continue in operation for the next twelve months and accordingly the consolidated and separate annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group or company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group or company.

Furthermore, as a result of the extension of the ABSA facility to April 2024, and the negotiations regarding the renewal of the shareholder loan, the Board believes that the group's financial position is appropriately structured for the foreseeable future.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

Castleview Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2017/290413/06)
JSE share code: CVW ISIN: ZAE000251633
(Approved as a REIT by the JSE)
("**Castleview**" or "**the company**" or "**the group**")

Notice is hereby given that the annual general meeting of shareholders of Castleview will take place at The I Group, 411 The Hills, Buchanan Square, Sir Lowry Road, Woodstock, Cape Town on Friday, 30 July 2021 at 12:00 ("the annual general meeting") for the purposes of:

- presenting of the audited consolidated annual financial statements of the company and the group, including the reports of the directors, the social and ethics committee and the audit and risk committee, for the period ended 28 February 2021;
- transacting any other business as may be transacted at an annual general meeting of shareholders of a company, including the reappointment of the auditors and the re-election of retiring directors; and
- considering and, if deemed fit, adopting, with or without modification, the special and ordinary resolutions set out below:

Important dates	2021
Record date for purposes of receiving this notice:	Friday, 25 June
Last day to trade in order to be eligible to participate in and vote at the annual general meeting:	Tuesday, 20 July
Record date for purposes of voting at the meeting ("voting record date"):	Friday, 23 July
Annual general meeting held at 12:00 on:	Friday, 30 July
Results of annual general meeting released on SENS on:	Friday, 30 July

Kindly note that in terms of section 62(3)(e) of the Companies Act, No. 71 of 2008 ("the Companies Act"):

- a shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder;
- a proxy need not also be a shareholder of the company;
- meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the annual general meeting; and
- the chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or as a proxy for a shareholder) has been reasonably verified.

Forms of identification include valid identity documents, drivers' licences and passports.

1. ORDINARY RESOLUTION NUMBER 1: CONFIRMATION OF APPOINTMENT OF ASHRAF MOHAMED AS A DIRECTOR

"Resolved to confirm the appointment as a director Mr Ashraf Mohamed who was appointed by the board of directors in terms of clause 27.4.1.1 of the company's Memorandum of Incorporation on 1 October 2020 and who will cease to hold office at the end of the annual general meeting unless his appointment is confirmed at the annual general meeting."

The board of directors has considered Mr Ashraf Mohamed's performance and contribution to the company since his appointment and recommends that he be elected as a director of the company.

An abridged curriculum vitae is included on page 4 of the integrated annual report of which this notice forms part.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

2. ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF GREGORY BAYLY AS A DIRECTOR

Mr Gregory Bayly retires by rotation and, being eligible, offers himself for re-election as a non-executive director of the company.

"Resolved that the re-election of Mr Gregory Bayly's as non-executive director to the company be confirmed."

An abridged curriculum vitae is included on page 4 of the integrated annual report of which this notice forms part.

The board of directors has considered Mr Gregory Bayly past performance and contribution to the company and recommends that he be re-elected as a director of the company.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

3. ORDINARY RESOLUTION NUMBER 3: RE-ELECTION OF DAVID GREEN AS A DIRECTOR

Mr David Green retires by rotation and, being eligible, offers himself for re-election as a non-executive director of the company.

"Resolved that the re-election of Mr David Green's as non-executive director to the company be confirmed."

An abridged curriculum vitae is included on page 4 of the integrated annual report of which this notice forms part.

The board of directors has considered Mr David Green past performance and contribution to the company and recommends that he be re-elected as a director of the company.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

4. ORDINARY RESOLUTION NUMBERS 4.1 TO 4.3: RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

4.1 Ordinary resolution number 4.1

Re-appointment of Mr Gregory Bayly as a member of the audit and risk committee

"Resolved that in terms of section 94(2) of the Companies Act, No. 71 of 2008, but subject to the passing of ordinary resolution number 2 above, to appoint Mr Gregg Bayly as a member of the audit and risk committee."

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

4.2 Ordinary resolution number 4.2

Re-appointment of Mr Ashraf Mohamed as a member of the audit and risk committee

"Resolved that in terms of section 94(2) of the Companies Act, No. 71 of 2008, but subject to the passing of ordinary resolution number 1 above, to appoint Mr Ashraf Mohamed as a member of the audit and risk committee."

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

4.3 Ordinary resolution number 4.3

Re-appointment of Mr Avesh Padayachee as a member of the audit and risk committee

"Resolved that in terms of section 94(2) of the Companies Act, No. 71 of 2008 to appoint Mr Avesh Padayachee as a member of the audit and risk committee."

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

5. ORDINARY RESOLUTION NUMBER 5: RE-APPOINTMENT OF AUDITORS

"Resolved that Nolands Inc., together with Mr Craig Stansfield, being the designated audit partner, be appointed as the auditors of the company."

The audit and risk committee has nominated for appointment as auditors of the company under section 90 of the Companies Act, No. 71 of 2008, Nolands Inc. In accordance with paragraph 3.84(3)(iii) of the JSE Listings Requirements, the audit and risk committee further confirms that it has assessed the suitability of the appointment of Nolands Inc. and Mr Craig Stansfield.

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

6. ORDINARY RESOLUTION NUMBER 6: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that the directors of the company be and are hereby authorised by way of a general authority to issue shares in the capital of the company for cash, as and when they in their discretion deem fit, subject to the Companies Act, No. 71 of 2008, the Memorandum of Incorporation of the company, the JSE Listings Requirements, and the following limitations, namely that:

a. the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such options, securities or rights that are convertible into a class already in issue;

b. any such issue will be made to "public shareholders" and not "related parties", as defined in the JSE Listings Requirements;

c. the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 3 741 116 shares, being 10% (ten percent) of the company's issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 3 741 116 shares the company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;

d. in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;

e. this authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given;

f. an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue; and

g. in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 10% (ten percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the company."

For the avoidance of doubt, all issues of shares for cash and all issues of options and convertible securities granted or issued for cash must, in addition to aforegoing provisions, be in accordance with the JSE Listings Requirements.

In order for ordinary resolution number 6 to be adopted, the support of at least 75% of the total number of votes exercisable by shareholders, present in person or by proxy, is required to pass this resolution in accordance with the JSE Listings Requirements.

7. ORDINARY RESOLUTION 7: SPECIFIC AUTHORITY TO ISSUE SHARES PURSUANT TO A REINVESTMENT OPTION

"Resolved that, in addition to the authority set out in ordinary resolution number 6 (and irrespective of whether ordinary resolution number 6 is passed or not) and subject to the provisions of the Companies Act, No. 71 of 2008, the company's Memorandum of Incorporation and JSE Listings Requirements, the directors be and are hereby authorised by way of a specific standing authority to allot and issue shares, as and when they deem appropriate, for the exclusive purpose of affording shareholders opportunities from time to time to elect to reinvest their distributions in new shares of the company pursuant to a reinvestment option."

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

8. NON-BINDING ADVISORY RESOLUTION NUMBER 1: ENDORSEMENT OF REMUNERATION POLICY

"Resolved by way of a non-binding advisory vote, that the remuneration policy of the company as set out in the 2021 Integrated Report be approved."

In terms of King IV Report on Corporate Governance™ ("King IV™") and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the company's remuneration policy. The vote allows shareholders to express their views on the remuneration policy adopted, but will not be binding on the company. The remuneration policy is included in the Remuneration Report on page 21 of the integrated annual report of which this notice forms part.

9. NON-BINDING ADVISORY RESOLUTION NUMBER 2: ENDORSEMENT OF REMUNERATION IMPLEMENTATION REPORT

"Resolved by way of a non-binding advisory vote, that the remuneration implementation report in respect of the remuneration policy as set out in the 2021 Integrated Report be approved."

In terms of King IV™ and the JSE Listings Requirements, an advisory vote should be obtained from shareholders on the implementation report of the company's remuneration policy. The vote allows shareholders to express their views on the extent of implementation of the company's remuneration policy, but will not be binding on the company. The implementation report is included in the Remuneration Report on page 21 of the integrated annual report of which this notice forms part.

In the event of 25% or more of shareholders voting against non-binding resolutions number 1 and 2, the board of directors is committed to engaging actively with shareholders in this regard in order to ascertain the reasons therefore and to address all legitimate and reasonable objections or concerns.

10. SPECIAL RESOLUTION NUMBER 1: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

"Resolved as a special resolution that, to the extent required by section 45 of the Companies Act, No. 71 of 2008 (the "Companies Act"), the board of directors of the company may, subject to compliance with the requirements of the company's Memorandum of Incorporation, the Companies Act and the JSE Listings Requirements, each as presently constituted and as amended from time to time, authorise the company to provide direct or indirect financial assistance in terms of section 45 of the Companies Act by way of loans, guarantees, the provision of security or otherwise, to any of its present or future subsidiaries and/or any other company or corporation that is or becomes related or inter-related (as defined in the Companies Act) to the company for any purpose or in connection with any matter, such authority to endure until the next annual general meeting of the company."

Reason for and effect of special resolution number 1

The reason and effect of special resolution number 1 is to grant the Board of directors the authority to authorise the company to provide financial assistance as contemplated in section 45 of the Companies Act to a related or inter-related company or corporation.

The resolution is intended mainly to enable the company to provide inter-company loans and guarantees within the group but will also permit the board of directors to authorise financial assistance to related parties.

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

11. SPECIAL RESOLUTION NUMBER 2: SHARE REPURCHASES

"Resolved as a special resolution that the company or any of its subsidiaries be and are hereby authorised by way of a general authority to acquire shares issued by the company, in terms of sections 46 and 48 of the Companies Act, No. 71 of 2008 (the "Companies Act") and in terms of the JSE Listings Requirements being that:

a. any acquisition of shares shall be implemented through the order book of the JSE and without prior arrangement between the company and the counterparty;

b. this general authority shall be valid until the company's next annual general meeting, provided that it shall not extend beyond 15 months from the date of passing this special resolution;

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

c. the company (or any subsidiary) is duly authorised by its Memorandum of Incorporation to do so;

d. acquisitions of shares in the aggregate in any one financial year may not exceed 10% of the company's issued ordinary share capital as at the date of passing this special resolution;

e. in determining the price at which shares issued by the company are acquired by it or any of its subsidiaries in terms of this general authority, the maximum premium at which such shares may be acquired will be 10% of the weighted average of the market value on the JSE over the five business days immediately preceding the repurchase of such shares;

f. at any point in time the company (or any subsidiary) may appoint only one agent to effect repurchases on its behalf;

g. repurchases may not take place during a prohibited period (as defined in paragraph 3.67 of the JSE Listings Requirements) unless a repurchase programme is in place (where the dates and quantities of shares to be repurchased during the prohibited period are fixed) and has been submitted in writing to the JSE prior to the commencement of the prohibited period;

h. an announcement will be published as soon as the company or any of its subsidiaries have acquired shares constituting on a cumulative basis, 3% of the number of shares in issue prior to the acquisition pursuant to which the aforesaid threshold is reached and for each 3% in aggregate acquired thereafter, containing full details of such acquisitions; and

i. the board of directors of the company must resolve that the repurchase is authorised, the company and its subsidiaries have passed the solvency and liquidity test, as set out in section 4 of the Companies Act, and since that test was performed, there have been no material changes to the financial position of the group."

In accordance with the JSE Listings Requirements the directors record that although there is no immediate intention to effect a repurchase of the shares of the company, the directors will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which may require expeditious and immediate action. The directors undertake that, after considering the maximum number of shares that may be repurchased and the price at which the repurchases may take place pursuant to the share repurchase general authority, for a period of 12 months after the date of notice of this annual general meeting:

- the company and the group will, in the ordinary course of business, be able to pay its debts;
- the consolidated assets of the company and the group fairly valued in accordance with International Financial Reporting Standards, will exceed the consolidated liabilities of the company and the group fairly valued in accordance with International Financial Reporting Standards; and
- the company's and the group's share capital, reserves and working capital will be adequate for ordinary business purposes.

The following additional information, some of which may appear elsewhere in the integrated annual report of which this notice forms part, is provided in terms of paragraph 11.26 of the JSE Listings Requirements for purposes of this general authority:

- Major beneficial shareholders – page 31.
- Capital structure of the company – page 51 (note 11).

Directors' responsibility statement

The directors whose names appear on page 4 of the integrated annual report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information pertaining to this special resolution 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 the special resolution contains all information required by the Companies Act and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in the integrated annual report of which this notice forms part, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report for the financial period ended 28 February 2021 and up to the date of this notice.

Reason for and effect of special resolution 2

The reason for and effect of special resolution 2 is to afford the directors of the company (or a subsidiary of the company) general authority to effect a repurchase of the company's shares on the JSE.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

12. SPECIAL RESOLUTION NUMBER 3: APPROVAL OF NON-EXECUTIVE DIRECTORS' FEES

"Resolved, as a special resolution, that the fees payable by the company to non-executive directors for their services as directors (in terms of section 66 of the Companies Act, No. 71 of 2008) be and are hereby approved with effect from 1 March 2021 for a period of two years from the passing of this resolution or until its renewal, whichever is the earliest, as follows:

3.1	Chairman of the board	R162 500 per annum
3.2	Member of the board	R162 500 per annum

Above amounts exclude VAT payable where applicable.

This resolution will require the support of at least 75% of the voting rights exercised on it in order for it to be adopted.

13. ORDINARY RESOLUTION NUMBER 8: SIGNATURE OF DOCUMENTATION

"Resolved that any director of the company or the company secretary be and is hereby authorised to sign all such documentation and do all such things as may be necessary for or incidental to the implementation of ordinary resolutions number 1 to 7, non-binding resolutions number 1 and 2, and special resolutions number 1 to 3 which are passed by the shareholders."

This resolution will require the support of more than 50% of the voting rights exercised on it in order for it to be adopted.

Voting and proxies

Any person attending or participating in the annual general meeting must present reasonably satisfactory identification and the person presiding at the annual general meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder/as a proxy for a shareholder) has been reasonably verified.

A shareholder of the company entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and to vote in his stead. The proxy need not be a shareholder of the company.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only.

On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share in the company held by such shareholder.

A form of proxy is enclosed for the convenience of certificated and own name dematerialised shareholders holding shares in the company who cannot attend the annual general meeting but wish to be represented thereat.

Such shareholders are requested to complete and return the attached form of proxy and lodge it with the Transfer Secretaries of the company, JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein Johannesburg, 2001 (PO Box 4844, Johannesburg, 2000) or by email to meetfax@jseinvestorservices.co.za, at least 48 hours prior to the date of the annual general meeting in order to allow for processing of the proxy forms. Alternatively, the form of proxy may be handed to the chairperson of the annual general meeting or the transfer secretaries present at the annual general meeting, prior to voting on any resolution proposed at the annual general meeting. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting should the shareholder subsequently decide to do so.

Dematerialised shareholders who have not elected own name registration in the sub-register of the company through a Central Securities Depository Participant ("CSDP") and who wish to attend the annual general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.

Dematerialised shareholders who have not elected "own name" registration in the sub-register of the company through a CSDP and who are unable to attend, but wish to vote at the annual general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker. Such shareholders are advised that they must provide their CSDP or broker with separate voting instructions in respect of their shares.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the annual general meeting by way of telephone conferencing. Should you wish to participate in the annual general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Wednesday, 28 July 2021 by submitting via email to the Company Secretary at alun@statucor.co.za or faxed to +27 21 460 6336, for the attention of Alun Rich, with the relevant contact details, including:

- an email address;
- cellphone number and landline; and
- full details of the shareholder's title to securities issued by the company and proof of identity;
  - for certificated ordinary shares – copies of identity documents and share certificates; and
  - for dematerialised ordinary shares – written confirmation from the shareholder's CSDP confirming the shareholder's title to the dematerialised ordinary shares.

Upon receipt of the required information the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the annual general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility. Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the annual general meeting through this medium.

Forms of proxy may also be obtained on request from the company's registered office.

By order of the board of directors

Company Secretary

Statucor Proprietary Limited, 8th Floor, 119 Hertzog Boulevard Foreshore, Cape Town, 8001, PO Box 3883, Cape Town, 8000

Registered office and business address

Suite 411, The Hills, Buchanan Square, 160 Sir Lowry Road, Woodstock, Cape Town, 7925

Transfer Secretaries

JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, or PO Box 4844, Johannesburg, 2000

FORM OF PROXY

Castleview Property Fund Limited
(Incorporated in the Republic of South Africa)
(Registration number 2017/290413/06)
JSE share code: CVW ISIN: ZAE000251633
(Approved as a REIT by the JSE)
("**Castleview**" or "**the company**" or "**the group**")

Where appropriate and applicable the terms defined in the notice of annual general meeting to which this form of proxy is attached and forms part of, bear the same meanings in this form of proxy.

For use by shareholders of the company holding certificated shares and/or dematerialised shareholders who have elected "own name" registration, nominee companies of Central Securities Depository participant's (CSDP) and brokers' nominee companies, registered as such at the close of business on 23 July 2021 (the voting record date), at the annual general meeting will take place at The I Group, 411 The Hills, Buchanan Square, Sir Lowry Road, Woodstock, Cape Town on 30 July 2021 at 12:00 (the annual general meeting) or any postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed CSDP or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We ______________________________ (full names in block letters please)

of ______________________________ (address)

being the holder/s of ______________________________ shares

hereby appoint: 1. ______________________________ or failing him/her,

2. ______________________________ or failing him/her,

3. the chairman of the annual general meeting, as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the annual general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the annual general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s), in the following manner:

	Number of votes		
		Shares	
	*For	*Against	*Abstain
Ordinary resolution number 1: Confirmation of appointment of Ashraf Mohamed as director			
Ordinary resolution number 2: Re-election of Gregory Bayly as director			
Ordinary resolution number 3: Re-election of David Green as director			
Ordinary resolution number 4: Re-appointment of the members of the audit and risk committee:			
4.1 Gregg Bayly (chairperson)			
4.2 Ashraf Mohamed			
4.3 Avesh Padayachee			
Ordinary resolution number 5: Re-appointment of auditors			
Ordinary resolution number 6: General authority to issue shares for cash			
Ordinary resolution number 7: Specific authority to issue shares pursuant to a reinvestment option			
Non-binding advisory resolution number 1: Endorsement of remuneration policy			
Non-binding advisory resolution number 2: Endorsement of remuneration implementation report			
Special resolution number 1: Financial assistance to related or inter-related companies			
Special resolution number 2: Share repurchases			
Special resolution number 3: Approval of non-executive directors' fees			
3.1 Chairman of the board			
3.2 Member of the board			
Ordinary resolution number 8: Signature of documentation			

One vote per share held by shareholders recorded in the register on the voting record date. Mark "for", "against" or "abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit. Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this ______________________________ day of ______________________________ 2021

Signature ______________________________

Assisted by me (where applicable) ______________________________ (State capacity and full name)

A shareholder entitled to attend and vote at the annual general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a member of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the annual general meeting.

Forms of proxy should be deposited at JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, or posted to P O Box 4844, Johannesburg, 2000 or by email to meetfax@jseinvrstorservices.co.za. Shareholders are requested to furnish such forms to the transfer secretaries at least 48 hours prior to the meeting in order to allow for processing of the proxy forms. Alternatively, the form of proxy may be handed to the transfer secretaries or the chairman of the annual general meeting at any time prior to voting on any resolution proposed at the annual general meeting.

NOTES TO THE FORM OF PROXY

Please read the notes below

1. This form of proxy is only to be completed by those ordinary shareholders who are:
   a. Holding ordinary shares in certificated form; or
   b. Recorded in the sub-register in electronic form in their "own name";

   on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, JSE Investor Services Proprietary Limited, in order to vote at the annual general meeting being Friday, 23 July 2021, and who wish to appoint another person to represent them at the annual general meeting.
2. Certificated shareholders wishing to attend the annual general meeting have to ensure beforehand, with the transfer secretaries of the company (being JSE Investor Services Proprietary Limited), that their shares are registered in their name.
3. Beneficial shareholders whose shares are not registered in their "own name", but in the name of another, for example, a nominee, may not complete a form of proxy, unless a form of proxy is issued to them by a registered shareholder, and they should contact the registered shareholder for assistance in issuing instructions on voting their shares, or obtaining a proxy to attend, speak, and, on a poll, vote at the annual general meeting.
4. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
5. A shareholder's instructions to the proxy must be indicated by means of a tick or a cross in the appropriate box provided. However, if you wish to cast your votes in respect of a lesser number of shares than you own in the company, insert the number of shares in respect of which you desire to vote. If (i) a shareholder fails to comply with the above; or (ii) gives contrary instructions in relation to any matter; or any additional resolution(s) which are properly put before the meeting; or (iii) the resolution listed in the form of proxy is modified or amended, the shareholder will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions at the annual general meeting, or any other proxy to vote or to abstain from voting at the annual general meeting as he/she deems fit, in respect of all the shareholders' votes exercisable thereat. If, however, the shareholder has provided further written instructions which accompany this form of proxy and which indicate how the proxy should vote or abstain from voting in any of the circumstances referred to in (i) to (iii) above, then the proxy shall comply with those instructions.
6. The forms of proxy should be lodged at JSE Investor Services Proprietary Limited, 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, or posted to P O Box 4844, Johannesburg, 2000 or emailed to meetfax@ljseinvestorservices.co.za. Shareholders are requested to furnish such forms to the transfer secretaries at least 48 hours prior to the date of the annual general meeting in order to allow for processing of the forms of proxy. Alternatively, the form of proxy may be handed to the transfer secretaries or the chairman of the annual general meeting at any time prior to voting on any proposed resolution at the annual general meeting.
7. The completion and lodgement of this form of proxy will not preclude the relevant shareholder from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. In addition to the aforegoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered in the required manner.
9. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received, other than in compliance with these notes provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
10. Any alteration to this form of proxy, other than a deletion of alternatives, must be initialled by the signatory/ies.
11. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the company or JSE Investor Services Proprietary Limited or waived by the chairman of the annual general meeting.
12. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by JSE Investor Services Proprietary Limited.
13. Where there are joint holders of shares:
    13.1 any one holder may sign the form of proxy; and
    13.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of shares.
14. If duly authorised, companies and other corporate bodies who are shareholders of the company having shares registered in their own name may, instead of completing this form of proxy, appoint a representative to represent them and exercise all of their rights at the meeting by giving written notice of the appointment of that representative. This notice will not be effective at the annual general meeting unless it is accompanied by a duly certified copy of the resolution or other authority in terms of which that representative is appointed and is received JSE Investor Services Proprietary Limited, at 13th Floor, 19 Ameshoff Street, Braamfontein, Johannesburg, 2001, to reach the company by no later than 12:00 on Wednesday, 28 July 2021, or prior to the annual general meeting.
15. This form of proxy may be used at any adjournment or postponement of the annual general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
16. The aforegoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, No. 71 of 2008 ("the Companies Act"), as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act, is set out below, or prior to the annual general meeting.

NOTES TO THE FORM OF PROXY (continued)

EXTRACT FROM THE COMPANIES ACT

"58. Shareholder right to be represented by proxy

(1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to –
  (a) participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder; or
  (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.

(2) A proxy appointment –
  (a) must be in writing, dated and signed by the shareholder; and
  (b) remains valid for –
    (i) one year after the date on which it was signed; or
    (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).

(3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise –
  (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
  (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
  (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.

(4) Irrespective of the form of instrument used to appoint a proxy –
  (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder;
  (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
  (c) if the appointment is revocable, a shareholder may revoke the proxy appointment by –
    (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and
    (ii) delivering a copy of the revocation instrument to the proxy, and to the company.

(5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of –
  (a) the date stated in the revocation instrument, if any; or
  (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).

(6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to –
  (a) the shareholder; or
  (b) the proxy or proxies, if the shareholder has –
    (i) directed the company to do so, in writing; and
    (ii) paid any reasonable fee charged by the company for doing so.

(7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.

(8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy –
  (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
  (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must –
    (i) bear a reasonably prominent summary of the rights established by this section;
    (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
    (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
  (c) the company must not require that the proxy appointment be made irrevocable; and
  (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).

(9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."

SHAREHOLDER INFORMATION

Shareholders' diary

Financial year-end	28 February 2021
Announcement of annual results	June 2021
Integrated report released	June 2021
Annual general meeting	July 2021
Announcement of interim results	October 2021

CORPORATE INFORMATION

Registered office
Castleview Property Fund Limited
(Registration number 2017/290413/06)
411 The Hills, Buchanan Square
160 Sir Lowry Road Woodstock
Cape Town, 7925
(PO Box 1745, Milnerton, Cape Town, 7435)

Company secretary
Statucor Proprietary Limited
(Registration number 1989/005394/07)
6th Floor, 129 Hertzog Boulevard Foreshore
Cape Town, 8001
(PO Box 3883, Cape Town, 8000)

Corporate advisor
Java Capital Proprietary Limited
(Registration number 2002/031862/07)
6A Sandown Valley Crescent
Sandown Sandton, 2196
(PO Box 2087, Parklands, 2121)

Designated advisor
Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

Legal advisor
Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
35 Lower Long Street
Cape Town, 8001
(PO Box 2293, Cape Town, 8001)

Independent Reporting Accountants
Nolands Jhb Inc.
(Registration number 2006/008947/21)
William Nicol, Bryanston Drive, Bryanston, Sandton, 2191
(PO Box 2971, Pinegowrie, 2123)

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

Bankers
Absa Bank Limited
(Registration number 1986/004794/06)
7th Floor, Absa Towers West, 15 Troye Street,
Johannesburg, 2001
(PO Box 7335, Johannesburg, 2000)

Place and date of Incorporation
Incorporated in South Africa on 6 July 2017

Independent Auditors
Nolands Inc.
(Registration number 2000/004145/21)
Noland House
River Park, River Lane Mowbray,
Cape Town, 7700
PO Box 2881 Cape Town 8001

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Property investment
Directors	G C Bayly C P Dockrall D J Green A Mohamed A Padayachee J W A Templeton
Registered office	411 The Hills Buchanan Square Woodstock Cape Town 7925
Business address	411 The Hills Buchanan Square Woodstock Cape Town 7925
Postal address	PO Box 1745 Milnerton Cape Town 7435
Holding company	Urban Retail Property Investments 1 Proprietary Limited incorporated in South Africa
Bankers	ABSA Bank Limited
Auditors	Nolands Incorporated Registered Auditors
Secretary	Statucor Proprietary Limited
Designated advisor	Java Capital Trustees and Sponsors Proprietary Limited
Legal advisors	Edward Nathan Sonnenbergs Incorporated
Company registration number	2017/290413/06
Level of assurance	These consolidated and separate annual financial statements have been audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	The consolidated and separate annual financial statements were independently compiled by: C P Dockrall Chartered Accountant (S.A.)
Issued	30 June 2021

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2021

A. ADOPTION OF BEST PRACTICE RECOMMENDATION (UNAUDITED)

The principles encompassed in the calculations below are aligned with the best practice recommendations ("BPR") by the SA REIT Association published in 2019 and do not comply with IFRS. The BPR is effective for financials year-ends commencing on or after 1 January 2020.

Reconciliation between earnings and distributable earnings

The group has established strict guidelines regarding its distribution policy to ensure that the distributable earnings is a fair reflection of sustainable earnings. This comprises property-related income net of property-related expenditure, interest expense and administrative costs.

The specific adjustments are detailed in the statement of funds from operations below. All of these adjustments are derived from the face of the statement of comprehensive income presented and the accompanying notes to the financial statements.

SA REIT Funds from Operations (SA REIT FFO) per share

	2021 R	2020 R
(Loss) or profit per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	**(22 249 352)**	20 405 272
Adjusted for:		
Accounting/specific adjustments	**31 660 419**	(7 993 769)
Fair value adjustments to:	**31 446 619**	(5 776 037)
– Investment property		
– Derivatives		
Depreciation on property, plant and equipment	**–**	102 361
Straight-lining operating lease adjustment	**213 800**	(2 320 093)
Other adjustments	**(31 661)**	7 996
SA REIT FFO	**9 379 406**	12 419 499
Number of shares outstanding at end of period (net of treasury shares)	**35 264 627**	34 188 520
SA REIT FFO per share (cents)	**26.60**	36.33
Dividend per share (cents)	**26.60**	36.33

SA REIT Net Asset Value (SA REIT NAV)

		2021 R	2020 R
Reported NAV attributable to the parent		**154 000 054**	176 280 567
Adjustments:			
Dividend to be declared		**–**	–
Deferred tax		**–**	–
SA REIT NAV	A	**154 000 054**	176 280 567
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)		**35 264 627**	34 188 520
Effect of dilutive instruments (options, convertibles and equity interests)		**–**	–
Dilutive number of shares in issue	B	**35 264 627**	34 188 520
SA REIT NAV per share	A/B	**4.37**	5.16

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2021

A. ADOPTION OF BEST PRACTICE RECOMMENDATION (continued)

SA REIT cost-to-income ratio

		2021 R	2020 R
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)		**23 997 609**	16 010 174
Administrative expenses per IFRS income statement		**3 790 185**	1 419 808
Exclude:			
Rental discounts granted		**(4 400 805)**	–
Operating costs	A	**23 386 989**	17 429 982
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**40 196 665**	40 640 725
Utility and operating recoveries per IFRS income statement		**9 414 854**	4 852 098
Gross rental income	B	**49 611 519**	45 492 823
SA REIT cost -to-income ratio	(A/B)	**47.1%**	38.3%

SA REIT administrative cost-to-income ratio

		2021 R	2020 R
Expenses			
Administrative expenses as per IFRS income statement		**3 790 185**	1 419 808
Administrative costs	A	**3 790 185**	1 419 808
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**40 196 665**	40 640 725
Utility and operating recoveries per IFRS income statement		**9 414 854**	4 852 098
Gross rental income	B	**49 611 519**	45 492 823
SA REIT administrative cost-to-income ratio	(A/B)	**7.6%**	3.1%

SA REIT GLA vacancy rate

		2021	2020
Gross lettable area of vacant space (sqm)	A	**2 731**	3 414
Gross lettable area of total property portfolio (sqm)	B	**29 690**	29 690
SA REIT GLA vacancy rate	(A/B)	**9.2%**	11.5%

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2021

A. ADOPTION OF BEST PRACTICE RECOMMENDATION (continued)

SA REIT loan-to-value

		2021 R	2020 R
Gross debt		**163 781 467**	166 230 144
Less:			
Cash and cash equivalents		**(1 803 341)**	(3 549 206)
Add/Less:			
Derivative financial instruments		**(1 967 663)**	–
Net debt	A	**160 010 463**	162 680 938
Total assets – per Statement of Financial Position		**325 327 635**	352 272 619
Less:			
Cash and cash equivalents		**(1 803 341)**	(3 549 206)
Trade and other receivables		**(4 508 626)**	(3 223 413)
Derivative financial instruments		**(1 967 663)**	–
Carrying amount of property- related assets	B	**320 983 331**	345 500 000
SA REIT loan-to-value ("SA REIT LTV")	A/B	**50.5%**	47.1%

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