INTEGRATED REPORT 2022

CASTLEVIEW
PROPERTY FUND

AT A GLANCE

PORTFOLIO

Two shopping centres
32 991 m² gla

Total assets
R371.8 million

FINANCIAL HIGHLIGHTS

Shares in issue
37 411 169

Net asset value per share
461 cents

Loan-to-value ratio
50.6%

Distribution per share
44.7 cents

RETAIL REIT

Castleview is a property holding and investment company that is invested in two well-located South African shopping centres, the first, a small regional shopping centre in Gqeberha (Port Elizabeth), the second, a convenience centre in Goodwood, Cape Town. The company's strategy is to accumulate 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 fifth integrated report to shareholders and stakeholders for the year ended 28 February 2022.

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 invested in two well-located shopping centres, the first, a small regional shopping centre in Gqeberha (Port Elizabeth), the second, a convenience centre in Goodwood, Cape Town. The company's strategy is to accumulate a diversified portfolio of retail properties in South Africa over time, providing 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. 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 Carl Erasmus CA(SA). 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	**James Templeton**	**Gregg Bayly**
Chairman	CEO	Chairman Audit and Risk Committee

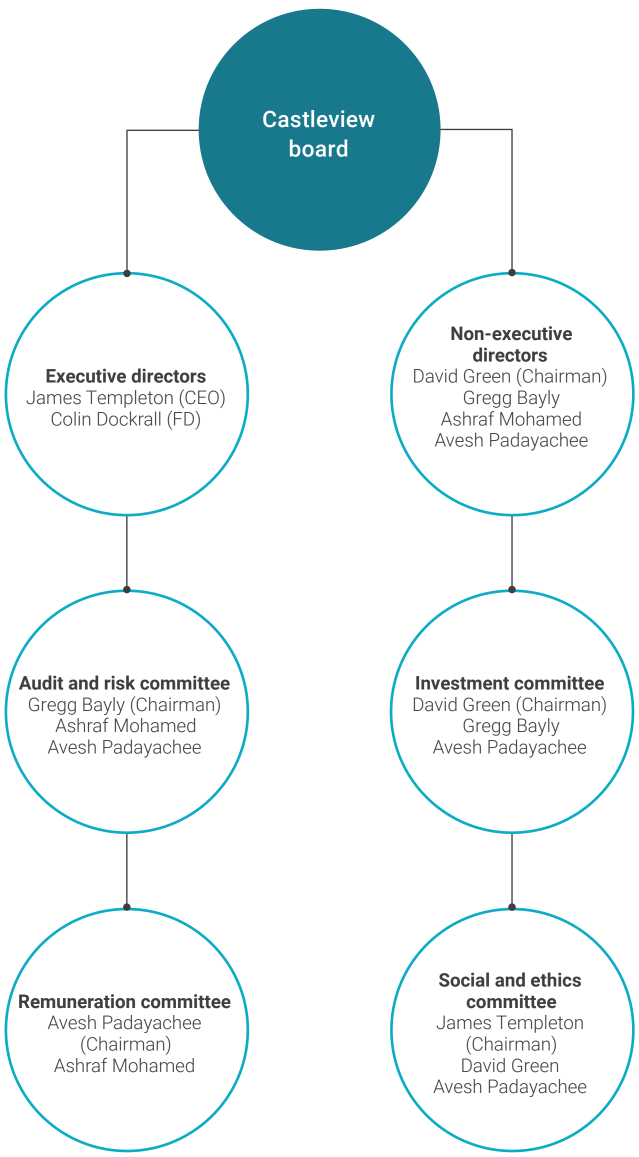
GROUP OVERVIEW

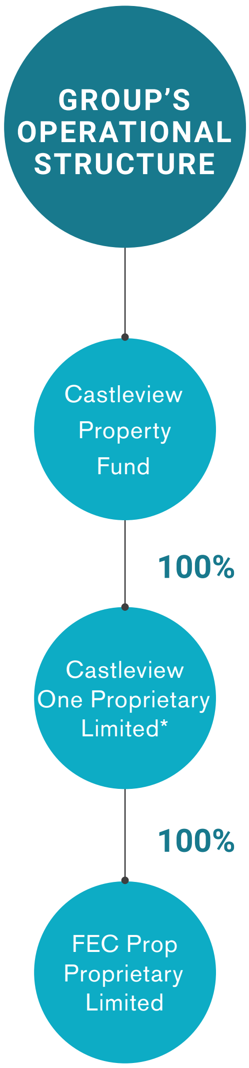
Castleview's property portfolio consists of two properties, namely: Pier 14 Shopping Centre and Pier 14 Living in Govan Mbeki Road, Gqeberha (Port Elizabeth), which is defined as a small regional shopping centre with 29 690m^2 of rentable space and is anchored by large national tenants such as Shoprite, Pep, Ackermans and Mr Price, and, secondly, Cravenby Shopping Centre, which is a convenience shopping centre of 3,301m^2, located in Goodwood, Cape Town, anchor tenanted by Shoprite and Pep.

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





** On 1 March 2022 the directors resolved to dissolve Castleview One Proprietary Limited.*

DIRECTORATE EXECUTIVE AND NON-EXECUTIVE

EXECUTIVE DIRECTORS

James William Andrew Templeton (49)

BComm (Hons) CFA

CEO

Appointed: 6 July 2017

James was employed as an equities analyst 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. He was appointed CEO of Castleview in July 2017.

Colin Peter Dockrall (36)

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 (40)

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 (60)

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.

Gregory Clifford Bayly (52)

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 (52)

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: 80.4%	RETAIL: 82.6%	A: 58.6%	GLA: 5.7%
OFFICE: 12.5%	OFFICE: 9.0%	B: 23.8%	GROSS RENTAL: 4.6%
RESIDENTIAL: 7.1%	RESIDENTIAL: 8.4%	C: 17.6%	

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 34 retail and 103 residential tenants.*

LEASE EXPIRY PROFILE

	Based on GLA %	Based on gross rentals %
Vacant	**5.7**	4.6
Monthly	**2.7**	2.4
Feb 2023	**24.3**	30.1
Feb 2024	**11.6**	21.5
Feb 2025	**14.9**	17.0
> Feb 2025	**40.8**	24.4
	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 2022 (R'000)
Pier 14	444 Govan Mbeki Avenue, North End, Gqeberha	Retail and residential	125.79	29 690	6.2	**320 651**
Cravenby Shopping Centre	Corner Balvenie Avenue and Connaught Rd, Cravenby, Cape Town	Retail	115.70	3 301	1.4	**39 179**
Total				32 991		**359 830**

The portfolio weighted average rental escalation based on existing leases by GLA, is 5.7%.

The property valuations as at 28 February 2022 were performed by the Castleview Board of directors.

OTHER INFORMATION

The forward average annualised property yield for the portfolio was 9.8% at 28 February 2022.

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 R172m • LT and ST borrowings of R192m • Cash generated from operations of R31.1m	• Income and net asset value growth for shareholders
Manufactured Capital • Pier 14 Shopping Centre and Pier 14 Living • Cravenby 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 • High quality decision-making for and on behalf of shareholders
Social and Relationship Capital • Established symbiotic relationship with key tenants • Established social and ethics committee	• Enduring, long-term 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 continual goal of reducing carbon footprint

Strategic Focus

Managing assets and debt profile 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 and properties to maximize returns	Maintaining and asset managing 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 • Communication during periods of uncertainty	• Asset and property management meet with the tenants on a regular basis and conduct regular site visits to Castleview's property • Ad hoc communication regarding centre operations should it be necessary	• 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

In the past two years, as a result of the advent of the COVID-19 pandemic in late 2019, the US economy - the largest economy in the world - has gone through a significant recession followed by a sharp recovery, thanks to an aggressive US government stimulus package. This recovery now seems to be fading, with a technical recession looking increasingly likely, following the hiking of interest rates by the Federal Reserve in response to a meaningful spike in inflation. Uncertainty surrounding the ongoing war in Ukraine, oil prices, inflation and the future action of the Federal Reserve will have a marked impact on global economic conditions, which will in turn impact the South African economy.

Not only is there volatility in markets, but there is a growing dislocation between the US economy and other economies around the world, with Europe seemingly on the verge of a period of stagflation – economic stagnation combined with rapidly rising inflation. With the economies – and therefore the monetary policy authorities – not being in sync with each other, volatility is exacerbated.

South Africa, by contrast, other than a short-term bounce as a result of a recovery from COVID-19, is struggling to show any upward momentum. This is for various structural reasons, which just do not seem to be able to be adequately addressed. COVID-19 risks remain, load-shedding is a constant factor in South African daily life, the negative impact of the riots and looting that took place in certain parts of the country in July 2021 lingers, and interest rates are now rising domestically, following the global trend.

Against this background, the meaningful recovery in Castleview's key financial indicators in the year ended February 2022 being distributable income per share and net asset value per share, as well as the declaration of a record dividend for the full-year to shareholders is seen as a robust performance by the fund. The Castleview Board would like to thank all its stakeholders – tenants, staff, service providers, financiers and shareholders – who contributed to this performance.

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 wholly-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 which was funded by a new debt facility from ABSA Bank. Transfer of the property 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 20 minutes drive of the Cape Town CBD. It 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, which is expected to commence in 2022. The purchase was earnings enhancing to shareholders and added to the convenience retail offering of the fund, which is an asset class that has proven most resilient in the COVID-19 pandemic.

MARKET CONDITIONS

The South African economy grew by 1.2% in the fourth quarter of 2021 quarter-on-quarter, and grew by 2.9% quarterly, year-on-year. This was driven by a recovery from the low base of 2020, as well as significantly stronger commodity prices, which have benefited the local mining industry. This resulted in GDP growth for calendar 2021 of 4.8%, a slight reduction from the forecast of 5.1% made in the 2021 MTBPS.

The South African Reserve Bank forecasts GDP growth for 2022 to be 2.1%, with expectations for 2023 and 2024 at 1.8% y/y, which is just not enough to show any meaningful improvement in the fundamentals for the commercial property industry and remains well below all major regions globally. Global growth for 2022 is forecast at 4.4% and 3.8% for 2023.

South African annual consumer price inflation continues to edge higher. It was 5.7% in January 2022, 5.7% in February and 5.9% in March 2022. This represents the tenth consecutive month with annual inflation above the 4,5% midpoint of the South African Reserve Bank's monetary policy target range. This was the primary driver behind the SARB increasing the repo rate by a total of 125 basis points since November 2021.

Since the beginning of 2022, the South African government 10- year bond yield, as represented by the R2030 (maturity of 2030), moved from 9.35% to 9.44% at the end of February 2022 and 9.955% at 29 April 2022. In sympathy with rising interest rates from the Fed in the USA and rising government bond yields in 2022, the South African prime interest rate has been increased by 100bp to 8.25% this year. The prime interest rate immediately pre-COVID-19 was 9.75%.

RMB's Asset Class Report for February 2022 report showed that, thanks to the recovery in share prices in the twelve months following a recovery in the dividend payments by the majority of

CHAIRMAN AND CEO'S REPORT (continued)

the sector, the REIT Index has again performed well. It showed an appreciation of 11.6% in the twelve months – albeit that it was beaten by the All Share Index (+13.2%), with bonds and cash lagging somewhat. In the last 3 months, REITs showed a 1.1% positive return, beating SA Cash (+1.0%), SA Bonds (-0.7%) and the ALSI (-0.8%).

Feb 2022	3-month	12-month
Cash – STeFI	1.04%	4.00%
ALBI	-0.72%	8.40%
ALSI	-0.81%	13.17%
SA REIT	1.13%	11.60%

PORTFOLIO PERFORMANCE

The reporting period saw significantly improved trading conditions as a result of a national recovery from the COVID-19 induced lockdown in 2020 and 2021, with national retail sales increasing by in excess of 10% over this period according to StatsSA. This benefited the tenants at Pier 14, whose turnover for the twelve months increased by 18.2% year-on-year (-14,1% for the twelve months to February 2021), with foot traffic increasing by 16.1%, implying an increase in basket size per shopper of 1.8%.

Due to a concerted effort by management to lease vacant space, the improvement in trading conditions and the transfer of Cravenby Shopping Centre during the period, total vacancies in the fund reduced during the period, moving from 9.2% in February 2021 to 5.7% by February 2022. Retail vacancies decreased from 8.6% to 4.4%, offices increased marginally from 14.1% to 14.2%, while residential vacancies decreased from 6.7% to 5.8%.

Cravenby Shopping Centre transferred to the fund on 19 May 2021, with this property's net income and associated interest costs therefore being included in Castleview's results for approximately nine and a half months of the period under review. The centre has performed in-line with management's expectations. Cravenby Shopping Centre has a vacancy of 1.4%, which is expected to be relet on completion of a planned, extension to the centre of 500m^2 later in 2022.

FINANCIAL RESULTS

Revenue for the period at R57,6m was meaningfully (+16.1%) higher than the comparable period of R49,6m, due to the purchase of Cravenby Shopping Centre with effect from May 2021, as well as the company assuming the full electricity costs recovery at Pier 14, which were previously recovered by a third-party service provider and, in return, benefiting from the recoveries of these costs from tenants.

Notwithstanding the take-on of electricity costs at Pier 14, the year-on-year rise in costs was marginal due to the debt relief given to tenants, which was included in operating costs in the comparative period.

Finance costs reduced marginally from R12,7m to R12,4m due to the sharp reduction in prime interest rates from 9.75% in February 2020 to 7% by July 2020, notwithstanding the increase in the prime interest rate since November 2021.

Taking into consideration the loss on fair value adjustment attributable to the investment properties of R0,6m and a fair value gain on interest rate derivatives, the profit attributable to shareholders for the year was R18,6m, compared to a R22,3m loss in the same period last year. SA REIT Funds from operations – Castleview's distributable earnings – for the twelve-month period equated to R16,74m or 44.74 cents per share (12-months to Feb 2021: R9,38m or 26.60 cents).

Castleview's portfolio valuation increased from R317.0m to R359,8m during the period following the improvement in trading conditions at Pier 14 as a result of less severe lockdowns in 2021 which benefited the centre's valuation, as well as the inclusion of Cravenby Shopping Centre since May 2021. The company's net asset value per share increased from 437 cents to 461 cents.

The Castleview board has declared a distribution for the period of 44.74 cents per share. The board provided shareholders with a share reinvestment alternative in respect of the dividend. The shareholders unanimously elected to reinvest the cash dividend.

CHAIRMAN AND CEO'S REPORT (continued)

DEBT FUNDING

The fund's debt facilities at 28 February 2022 were as follows:

Lender	Security	Facility(Rm)	Drawn Down	Base Interest Rate	Expiry
ABSA Bank	Pier 14	150.0	150.0	3 m JIBAR (currently 4.22%) plus 2.4% (total 6.62%)	Apr 24
ABSA Bank – Flexi Facility	Pier 14	15.0	4.1	Prime less 1%	Apr 24
Urban Retail Property Investments 1	–	28.4	9.7	Floating Prime – 0.25% (Total 7.25%)	Dec 21*
ABSA Bank	Cravenby	39.2	39.2	3m JIBAR (currently 4.22%) plus 2.4% (total 6.62%)	May 24
ABSA Bank (for future capex)	Cravenby	9.2	0.0	Per above	May 24
Total		**241.8**	**205.6**		

* *the URP1 loan was paid back using capacity in the ABSA facilities at the beginning of February 2022.*

The ABSA Pier 14 facility is secured by a first mortgage bond and security cessions over the fixed property comprising Pier 14 Shopping Centre and Pier 14 Living. The ABSA Cravenby facility is secured by a first mortgage bond and security cessions over the fixed property comprising Cravenby Shopping Centre.

Interest rate swaps were entered into in August 2020 to effectively fix 75% of the total ABSA Pier 14 facility, which equates to 60% of the fund's drawn down facilities:

- 50% (R82.5m) swapped until 30/04/2024; and,
- 25% (R41.25m) hedged until 30/04/2025.

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.

Notwithstanding the Board's expectations of the portfolio's net property income increasing in the coming year, actual and forecast increases in borrowing costs are likely to result in distributable income for the fund declining marginally in the twelve months to February 2023.

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 custodian of good corporate governance within the group and accepts 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.

The board is satisfied that Castleview is:

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

THE BOARD

Members

Executive directors

James Templeton (CEO)

Colin Dockrall (FD)

Independent non-executive directors

David Green (Chairman)

Gregg Bayly

Ashraf Mohamed

Avesh Padayachee

Castleview's board is constituted in terms of the company's MOI 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 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 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;

CORPORATE GOVERNANCE REPORT (continued)

- consider Castleview's strategy against the six capitals;
- 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 2022

	Name	Date 7 May 2021	Date 30 July 2021	Date 29 October 2021	Date 11 February 2022	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	√	√	√	√	4/4
6	A Padayachee	√	√	√	√	4/4

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 considers 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.

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 .

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 2021 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 2023 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.

CORPORATE GOVERNANCE REPORT (continued)

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 2023 financial year, based on the growth of the company, Castleview will move towards a more integrated approach to its 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.

For emoluments paid to directors during the 2022 financial period, please refer to note 22 to the annual financial statements. The proposed emoluments of the non-executive directors for the 2023 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 2022 AND PROPOSED FEES FOR 2023

	Directors' Fees	
Position	**2022 Actual R**	**2023 Proposed R**
Chairman of the board	**207 304**	173 796
Member of the board	**166 980**	173 796

Attendance at meetings

During the 2022 financial year, the committee met once.

Meeting attendance is recorded in the table below.

	Name	**Date of meeting 11 February 2022**	**Total**
1	A Padayachee (Chairman)	√	1/1
2	MA Mohamed	√	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.

CORPORATE GOVERNANCE REPORT (continued)

Good corporate citizenship

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

Since the financial year to February 2020, Castleview has supported Excelsior Primary, a school located in Mount Croix, Gqeberha, which is in the immediate vicinity of Pier 14 Shopping Centre, with funding for various improvements, mainly to sporting facilities.

In the financial year to February 2022 we further engaged with Excelsior Primary School and with the cooperation of some of our service providers we were able to complete the revamp of the boys' bathroom, replacing waste pipes, aluminium windows, repainting walls, doors and ceilings as well as replacing the tiling and installing energy efficient LED lighting. We will continue our support of Excelsior Primary 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 2022 financial year, the committee met on one occasion.

Meeting attendance is recorded in the table below.

SOCIAL AND ETHICS COMMITTEE MEETING ATTENDANCES FOR THE PERIOD ENDED 28 FEBRUARY 2022

	Name	Date of meeting 11 February 2022	Total
1	J Templeton (Chairman)	√	1/1
2	D Green	√	1/1
3	A Padayachee	√	1/1

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 2023.

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 people in the 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
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	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		
Municipal and Utility 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
Looting and violence in city centres and townships across South Africa	Damage to shopping centres requiring payment for rebuilding and repairs; reduced footfall and spending for fear of the violence	Increased security when this is anticipated, evacuation and lockdown of centres if appropriate, building insurance including SASRIA cover for such events
Financing		
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
Inability to roll over bank debt	Inability to secure roll over of existing facility	Early negotiations on renewal with ABSA
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 Corporate sponsors (Java Capital) regular interaction and advice if necessary

RISK MANAGEMENT (continued)

Risk	Impact	Mitigation Strategies
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 ("IT") 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 2022.

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, race, culture and age 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.

KING IV™ COMPLIANCE (continued)

APPLICATION OF THE KING IV™ PRINCIPLES

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. Given the size of the company and the functions performed by the asset manager, the remuneration committee currently only has 2 members, but that this will be addressed once the company has made additional acquisitions which is likely to occur in the forthcoming year.
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 2022

CASTLEVIEW
PROPERTY FUND

CONTENTS

Published
31 May 2022

The consolidated and separate annual financial statements for the year ended 28 February 2022 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 C A Erasmus 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 year 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 to 28 February 2023 and, in light of this review and the current financial position, they are satisfied that the group and the company has or 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 26 to 27.

The consolidated and separate annual financial statements set out on pages 33 to 66, together with the directors’ report, which have been prepared on the going concern basis, were approved by the board of directors on 25 May 2022 and were signed on their behalf by:

James Templeton

J W A Templeton

Colin Dockrall

C P Dockrall

Cape Town
31 May 2022

APPROVAL BY THE CHIEF EXECUTIVE AND FINANCIAL DIRECTOR

FOR THE YEAR END 28 FEBRUARY 2022

The directors, whose names are stated below, hereby confirm that (a) the annual financial statements set out on pages 33 to 66, fairly present in all material respects the financial position, financial performance and cash flows of the issuer 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 and risk committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

James Templeton

J W A Templeton
Chief executive officer
31 May 2022

Colin Dockrall

C P Dockrall
Financial director

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CASTLEVIEW PROPERTY FUND LIMITED

Opinion

We have audited the consolidated and separate annual financial statements of Castleview Property Fund Limited set out on pages 33 to 66, which comprise the statements of financial position as at 28 February 2022, 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 2022, 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 valuations of the investment properties were considered a matter of most significance to our current year audit due to the significant judgement and assumptions applied in determining the fair values of the investment properties. The investment properties are stated at fair value based on the directors' valuations thereof. The directors used the discounted cash flow method to determine the fair values. 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 forecasts by agreeing them to approved and signed lease agreements and other supporting documentation.
c) We calculated our own independent ranges of fair values and compared these to the directors' valuations. We considered the directors' fair values 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 the management that impact the fair values of the investment properties.

Separate Annual Financial Statements

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

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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.
- 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 five 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
31 May 2022

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 2022.

1. NATURE OF BUSINESS

Castleview Property Fund Limited is a property 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 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	2022 Number of shares	2021 Number of shares
Ordinary shares of no par value	**1 000 000 000**	1 000 000 000

Issued	2022 R	2021 R	2022 Number of shares	2021 Number of shares
Ordinary shares of no par value	**185 948 148**	176 567 759	**37 411 169**	35 264 627

On 25 May 2021 a dividend of 26.60000 cents per share was declared by the board of directors. 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 2,146,542 shares on 18 June 2021. These shares were issued pursuant to a share re-investment alternative.

4. DIVIDENDS

A final gross dividend of 44.74000 cents per share was approved by the board of directors on 13 May 2022 in respect of the year ended 28 February 2022. The board provided shareholders with a share reinvestment alternative in respect of the dividend.

The shareholders unanimously elected to reinvest the cash 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
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
A Padayachee	Director	Non-executive Independent	South African
J W A Templeton	Chief Executive Officer	Executive	South African

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% (2021: 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 44.74000 cents per share was approved by the board of directors on 13 May 2022 in respect of the year ended 28 February 2022. The board approved a share reinvestment alternative in respect of these dividends, with all shareholders electing to reinvest the dividend.

On 1 March 2022 the directors resolved to dissolve Castleview One Proprietary Limited, a wholly-owned subsidiary owning 100% of the shares in FEC Prop Proprietary Limited through a restructure arrangement. The FEC Prop Proprietary Limited shares transferred to Castleview Property Fund Limited in two tranches of 698,005 shares and 7,309,992 shares on 1 March 2022 and 2 March 2022 respectively, resulting in Castleview Property Fund Limited now owning 100% of the shares in FEC Prop Proprietary Limited directly.

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.

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 Ferdinand Cloete CA (SA), RA as the designated lead audit partner for the 2023 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 28 February 2022	**Number of shares**	**%**
100 001 – 10 000 000 shares	**3 741 116**	**10**
10 000 001 shares and over	**33 670 053**	**90**
	37 411 169	**100**
Shareholders with an interest of 5% or more in shares		
Mirlem IP Proprietary Limited	**3 741 116**	**10**
Urban Retail Property Investments 1 Proprietary Limited	**33 670 053**	**90**
	37 411 169	**100**

	Number of shareholders	**%**	**Number of shares**	**%**
Public and non-public shareholders				
Public shareholders	–	–	–	–
Non-public shareholders	**2**	**100**	**37 411 169**	**100**

Analysis of non-public shareholders:	**Number of shares**	**%**
Directors and associates	–	–
Directors of major subsidiaries	–	–

As at 28 February 2022, 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, No71 of 2008, for the period ended 28 February 2022, 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)

AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee have pleasure in presenting their report to the board of directors.

AUDIT AND RISK COMMITTEE

Members: Gregg Bayly (Chairperson), Ashraf Mahomed and Avesh Padayachee

Invitees: The remaining board members, 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.

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 Covid-19 pandemic, as well as the riots that took place in certain provinces in June 2021. 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.

AUDIT AND RISK COMMITTEE REPORT (continued)

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 riots and looting in KZN and Gauteng in July 2021 resulted in new risks to the company during the financial year, this violence did not extend to the cities in which the company is invested, albeit that extraordinary protection actions were taken at Pier 14 in anticipation of this violence spreading to Gqeberha CBD. The full Board - and therefore the Committee - was fully informed of the measures taken by management at the time of the unrest.

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 2022, 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 2022 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.

G C Bayly

ATTENDANCE AT MEETINGS

During the 2022 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 2022

	Name	Date of meeting 7 May 2021	Date of meeting 30 July 2021	Date of meeting 29 October 2021	Date of meeting 11 February 2022	Total
1	GC Bayly (Chairman)	√	√	√	√	4/4
2	MA Mohamed (Appointed 1 October 2020)	√	√	√	√	4/4
3	A Padayachee	√	√	√	√	4/4

CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION

AS AT 28 FEBRUARY 2022

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2022**	**2021**	**2022**	**2021**
ASSETS					
Non-Current Assets					
Investment property	3	**348 385 534**	310 560 482	**–**	–
Derivatives	4	**3 756 264**	1 967 663	**–**	–
Operating lease asset	5	**10 024 987**	6 058 155	**–**	–
Investments in subsidiaries	6	**–**	–	**165 000 000**	165 000 000
		362 166 785	**318 586 300**	**165 000 000**	**165 000 000**
Current Assets					
Loans to group companies	7	**–**	–	**43 337 597**	31 408 184
Trade and other receivables	9	**2 447 819**	4 508 626	**304 762**	304 762
Operating lease asset	5	**1 419 834**	429 368	**–**	–
Cash and cash equivalents	10	**5 765 340**	1 803 341	**2 901 645**	199 994
		9 632 993	**6 741 335**	**46 544 004**	**31 912 940**
Total Assets		**371 799 778**	**325 327 635**	**211 544 004**	**196 912 940**
EQUITY AND LIABILITIES					
EQUITY					
Equity Attributable to Equity Holders of Parent					
Share capital	11	**185 948 148**	176 567 759	**185 948 148**	176 567 759
Accumulated loss		**(13 511 552)**	(22 726 375)	**(1 943 456)**	(3 308 588)
		172 436 596	153 841 384	**184 004 692**	173 259 171
Non-controlling interest		**–**	158 670	**–**	–
		172 436 596	**154 000 054**	**184 004 692**	**173 259 171**
LIABILITIES					
Non-Current Liabilities					
Mortgage bonds	13	**191 693 220**	–	**–**	–
Current Liabilities					
Trade and other payables	12	**7 669 962**	7 546 114	**24 075**	56 550
Loans from parent company	8	**–**	9 703 640	**–**	9 703 640
Mortgage bonds	13	**–**	154 077 827	**–**	–
Loans from group companies	7	**–**	–	**27 515 237**	13 893 579
		7 669 962	**171 327 581**	**27 539 312**	**23 653 769**
Total Liabilities		**199 363 182**	**171 327 581**	**27 539 312**	**23 653 769**
Total Equity and Liabilities		**371 799 778**	**325 327 635**	**211 544 004**	**196 912 940**

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

FOR THE YEAR ENDED 28 FEBRUARY 2022

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2022**	**2021**	**2022**	**2021**
Revenue	14	**57 619 071**	49 611 519	**11 930 659**	10 494 364
Other operating expenses		**(27 813 032)**	(27 787 794)	**(532 558)**	(536 572)
Operating profit	15	**29 806 039**	**21 823 725**	**11 398 101**	**9 957 792**
Investment income	16	**28 725**	27 452	**–**	–
Finance costs	17	**(12 445 744)**	(12 674 578)	**(652 580)**	(1 066 793)
Loss on fair value adjustment on investment property	18	**(582 410)**	(33 414 282)	**–**	–
Gain on interest rate swap	18	**1 788 602**	1 967 663	**–**	–
Profit (loss) and total comprehensive income (loss) for the year		**18 595 212**	**(22 270 020)**	**10 745 521**	**8 890 999**
Profit (loss) and total comprehensive income (loss) for the year					
Owners of the parent		**18 595 212**	(22 249 352)	**10 745 521**	8 890 999
Non-controlling interest		**–**	(20 668)	**–**	–
		18 595 212	**(22 270 020)**	**10 745 521**	**8 890 999**

		GROUP	
	Note(s)	**2022**	**2021**
Earnings per share information			
Basic and diluted earnings per share (cents)	30	**50.57**	(63.82)

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 FEBRUARY 2022

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 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 01 March 2021	**176 567 759**	**(22 726 375)**	**153 841 384**	**158 670**	**154 000 054**
Profit and total comprehensive income for the year	–	18 595 212	18 595 212	–	18 595 212
Issue of shares	9 380 389	–	9 380 389	–	9 380 389
Reduction of non-controlling interest	–	–	–	(158 670)	(158 670)
Dividends	–	(9 380 389)	(9 380 389)	–	(9 380 389)
Balance at 28 February 2022	**185 948 148**	**(13 511 552)**	**172 436 596**	**–**	**172 436 596**
Note(s)	11				
Company					
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 01 March 2021	**176 567 759**	**(3 308 588)**	**173 259 171**	**-**	**173 259 171**
Profit and total comprehensive income for the year	–	10 745 521	10 745 521	–	10 745 521
Issue of shares	9 380 389	–	9 380 389	–	9 380 389
Dividends	–	(9 380 389)	(9 380 389)	–	(9 380 389)
Balance at 28 February 2022	**185 948 148**	**(1 943 456)**	**184 004 692**	**–**	**184 004 692**
Note(s)	11				

CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 28 FEBRUARY 2022

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2022**	**2021**	**2022**	**2021**
Cash flows from operating activities					
Cash generated from (used in) operations	20	**31 105 507**	18 538 194	**(563 787)**	(515 657)
Interest income		**28 725**	27 452	**–**	–
Finance costs		**(12 445 744)**	(6 169 008)	**–**	–
Net cash from operating activities		**18 688 488**	**12 396 638**	**(563 787)**	**(515 657)**
Cash flows from investing activities					
Additions to investment property	3	**(3,713,226)**	(5 176 087)	**–**	–
Net cash from investing activities		**(3,713,226)**	**(5 176 087)**	**–**	**–**
Cash flows from financing activities					
Proceeds from loans from group companies		**–**	–	**31 421 658**	42 435 558
Repayment of loans from group companies		**–**	–	**(17 800 000)**	(13 832 000)
Proceeds from mortgage bonds		**33 866 453**	36 695 000	**–**	–
Repayment of mortgage bonds		**(34 523 496)**	(17 659 740)	**–**	–
Repayment of loan from parent company		**(10 356 220)**	(28 000 000)	**(10 356 220)**	(28 000 000)
Net cash from financing activities		**(11 013 263)**	**(8 964 740)**	**3 265 438**	**603 558**
Total cash movement for the year		**3 961 999**	(1 744 189)	**2 701 651**	87 901
Cash and cash equivalents at the beginning of the year		**1 803 341**	3 547 530	**199 994**	112 093
Total cash and cash equivalents at the end of the year	10	**5 765 340**	**1 803 341**	**2 901 645**	**199 994**

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 group and company financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS), its interpretations issued by the International Accounting Standards Board (IASB), International Financial Reporting Interpretations Committee (IFRIC), the JSE Listings Requirements, the requirements of the Companies Act, the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, and Financial Pronouncements as issued by the Financial Reporting Standards Council.

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 financial statements incorporate the separate 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 financial statements, are outlined as follows:

Valuation of investment properties to fair value

The discounted cash flow 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 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. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities are recognised immediately in profit or loss.

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 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.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the financial asset’s original effective interest rate.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

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 cost, and subsequently measured at amortised cost using the effective interest method.

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.

ACCOUNTING POLICIES (continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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 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 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 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 1/2021 by The South African Institute of Chartered Accountants.

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.

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.

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. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after 01 March 2022 or later periods:

Classification of Liabilities as Current or Non-Current - Amendment to IAS 1

The amendment changes the requirements to classify a liability as current or non-current. If an entity has the right at the end of the reporting period, to defer settlement of a liability for at least twelve months after the reporting period, then the liability is classified as non-current.

If this right is subject to conditions imposed on the entity, then the right only exists, if, at the end of the reporting period, the entity has complied with those conditions.

In addition, the classification is not affected by the likelihood that the entity will exercise its right to defer settlement. Therefore, if the right exists, the liability is classified as non-current even if management intends or expects to settle the liability within twelve months of the reporting period. Additional disclosures would be required in such circumstances.

The effective date of the amendment is for years beginning on or after 01 January 2023.

The group expects to adopt the amendment for the first time in the 2024 consolidated and separate annual financial statements.

The adoption of this amendment is not expected to impact on the results of the group, but may result in more disclosure than is currently provided in the consolidated and separate annual financial statements.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiaity Judgements - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

NOTES TO THE CONSOLIDATED AND SEPARATE ANNUAL FINANCIAL STATEMENTS

3. INVESTMENT PROPERTY

	GROUP	
Figures in Rand	**2022**	**2021**
Investment property at fair value	**348 385 534**	310 560 482

Reconciliation of investment property

Figures in Rand	**2022**	**2021**
Opening balance	**310 560 482**	338 798 677
Acquisition of Cravenby Shopping Centre	**36 006 009**	–
Improvements	**2 401 453**	5 176,087
Fair value adjustment	**(582 410)**	(33 414 282)
Investment property at fair value	**348 385 534**	310 560 482
Operating lease asset	**11 444 821**	6 487 523
Valuation	**359 830 355**	**317 048 005**

Pledged as security

The mortgage bonds have been registered over the entire investment property portfolio as security for the mortgage bonds described in note 13.

Details of properties

Pier 14 Shopping Centre and Pier 14 Living

A retail shopping centre located in Gqeberha with a GLA of 29,690 square metres and 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.

Cravenby Shopping Centre

A convenience shopping centre located in Goodwood, Cape Town, with a GLA of 3,301 square metres.

This property consists of erven no. 33262 situated in the City of Cape Town Metropolitan Municipality held under title deed no. T24660/2021. This property was purchased during the year.

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

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 for both properties.

The group has applied the concentration test as permitted by IFRS 3: Business Combinations to the acquisition of the Cravenby Shopping Centre transaction. As substantially all of the fair value of the gross assets acquired is concentrated in a group of similar identifiable assets, the set of activities and assets acquired was deemed not to be a business.

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

3. INVESTMENT PROPERTY (continued)

Details of valuation

The properties were valued internally by the directors using the discounted cash flow method.

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

Pier 14 Shopping Centre and Pier 14 Living	2022	2021
Discount rate	14.33%	15.00%
Exit cap rate	10.55%	10.90%
Expense growth rate	5.00%	6.00%
Income growth rate	Between 5.0% and 5.25%	6.00%
Discounted cash flow term	10 years	10 years

Cravenby Shopping Centre	2022	2021
Discount rate	14.00%	–
Exit cap rate	10.00%	–
Expense growth rate	5.30%	–
Income growth rate	4.50%	–
Discounted cash flow term	10 years	–

No comparatives have been presented as this property was acquired in the current financial year.

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)

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	2022	2021
An increase of 100 basis points on the discount rate	(21 099 761)	(18 284 467)
A decrease of 100 basis points on the discount rate	22 933 987	19 860 731
An increase of 100 basis points on the capitalisation rate	(12 727 546)	(10 596 555)
A decrease of 100 basis points on the capitalisation rate	15 410 984	12 737 464
Amounts recognised in profit and loss for the year		
Rental income from investment property	56 966 290	49 611 519
Direct operating expenses from rental generating property	(27 813 032)	(23 997 609)
	29 153 258	**25 613 910**

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

4. DERIVATIVES

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Non-hedging derivatives				
Interest rate swaps at fair value	**3 756 264**	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.

An external valuation was obtained from ABSA Bank Limited.

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

5. OPERATING LEASE ASSET

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Non-current assets	**10 024 987**	6 058 155	**–**	–
Current assets	**1 419 834**	429 368	**–**	–
	11 444 821	6 487 523	**–**	–
Reconciliation of the operating lease asset				
Balance at the beginning of the year	**6 487 523**	6 701 323	**–**	–
Current year movement	**651 534**	(213 800)	**–**	–
Operating lease asset acquired*	**4 305 764**	–	**–**	–
	11 444 821	6 487 523	**–**	–

* *Pertains to the acquisition of Cravenby Shopping Centre.*

Future minimum lease payments

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

	GROUP	
Figures in Rand	**2022**	**2021**
Period		
– within one year	**36 201 898**	30 885 199
– between two and five years	**75 474 356**	66 836 478
– more than five years	**11 648 329**	16 496 225
	123 324 583	114 217 902

The company's investment property is held to generate rental income. Rental of property is expected to generate rental yields of approximately 9.8% on an on-going basis. Lease agreements have terms from 1 to 10 years.

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

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**	**% voting power 2022**	**% voting power 2021**	**% holding 2022**	**% holding 2021**	**Carrying amount 2022**	**Carrying amount 2021**
Direct:							
Castleview One Proprietary Limited	Castleview Property Fund Limited	**100.00%**	100.00%	**100.00%**	100.00%	**165 000 000**	165 000 000
Indirect:							
FEC Prop Proprietary Limited	Castleview One Proprietary Limited	**100.00%**	99.90%	**100.00%**	99.90%	**–**	–
						165 000 000	165 000 000

No impairment losses have been recognised to date.

On 1 March 2022 the directors resolved to dissolve Castleview One Proprietary Limited, a wholly-owned subsidiary owning 100% of the shares in FEC Prop Proprietary Limited through a restructure arrangement. The FEC Prop Proprietary Limited shares transferred to Castleview Property Fund Limited in two tranches of 698,005 shares and 7,309,992 shares on 1 March 2022 and 2 March 2022 respectively, resulting in Castleview Property Fund Limited now owning 100% of the shares in FEC Prop Proprietary Limited directly.

7. LOANS TO (FROM) GROUP COMPANIES

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Subsidiaries				
Castleview One Proprietary Limited	**–**	–	**43 337 597**	31 408 184
FEC Prop Proprietary Limited	**–**	–	**(27 515 237)**	(13 893 579)
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.				
	–	–	**15 822 360**	17 514 605
Split between non-current and current portions				
Current assets	**–**	–	**43 337 597**	31 408 184
Current liabilities	**–**	–	**(27 515 237)**	(13 893 579)
	–	–	**15 822 360**	17 514 605

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

8. LOAN FROM PARENT COMPANY

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Urban Retail Property Investments 1 Proprietary Limited	–	9 703 640	–	9 703 640
This four-year loan facility was due and payable in full on 31 December 2021. The loan bore interest at the South African prime overdraft rate less 0.25% and was unsecured. Interest on this facility was capitalised to the loan for the duration of the loan and was 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.				
During the current year the loan from the parent company was settled in order to optimise the debt cost of the group.				
The credit risk of the borrower had not changed significantly from origination of the loan. The fair value of the loan payable was estimated to approximate its carrying value due to the interest being market related for similar entities and the credit risk of the borrower that had not changed significantly from origination of the loan.				
Split between non-current and current portions				
Current liabilities	–	9 703 640	–	9 703 640

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

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Financial instruments:				
Trade receivables	**3 929 883**	4 246 524	**–**	–
Loss allowance	**(2 579 064)**	(2 812 717)	**–**	–
Trade receivables at amortised cost	**1 350 819**	1 433 807	**–**	–
Amounts due from related parties	**384 762**	304 762	**304 762**	304 762
Deposit on Cravenby Shopping Centre	**–**	1 000 000	**–**	–
Deposits	**26 890**	–	**–**	–
Rental guarantee*	**–**	1 150 146	**–**	–
Other receivables	**–**	619 911	**–**	–
Non-financial instruments:				
Value-added taxation	**18 477**	–	**–**	–
Prepayments	**666 871**	–	**–**	–
Total trade and other receivables	**2 447 819**	4 508 626	**304 762**	304 762

* During the current year, the rental guarantee receivable was settled.

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 of approximately 220 tenants. Management actively monitors tenant balances to identify specific expected losses on rental payments. In the current year, specific expected credit losses amounted to R2 516 173. 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.

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates. Historical impairment rates have been applied against the population of trade receivables. Specific high risk trade receivable balances have been identified and a full impairment provision has been provided on these balances.

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.

Trade and other receivables impaired

As of 28 February 2022, trade and other receivables of R2,579,064 (2021: R2,812,717) were impaired and provided for. The ageing of these debts is as follows:

Greater than 2 months	2 579 064	2 812 717

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

9. TRADE AND OTHER RECEIVABLES (continued)

	GROUP	
Figures in Rand	**2022**	**2021**
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	**2 812 717**	1 519 511
Impairment as a result of expected credit losses	**1 341 127**	1 293 206
Impairment as a result of rental debt forgiveness	**–**	4 400 805
Reversal of impairment allowances	**(1 574 780)**	(4 400 805)
	2 579 064	**2 812 717**

10. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Cash and cash equivalents consist of:				
Cash on hand	**4 137**	3 251	**–**	–
Bank balances	**5 761 203**	1 800 090	**2 901 645**	199 994
	5 765 340	**1 803 341**	**2 901 645**	**199 994**

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	**2022**	**2021**	**2022**	**2021**
Authorised				
1 000 000 000 Ordinary shares of no par value	–	–	–	–
Reconciliation of number of shares issued:				
Opening balance	**35 264 627**	34 188 520	**35 264 627**	34 188 520
Issue of shares	**2 146 542**	1 076 107	**2 146 542**	1 076 107
	37 411 169	**35 264 627**	**37 411 169**	**35 264 627**

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.

On 25 May 2021, the board provided shareholders with a share reinvestment alternative in respect of the dividend of R9 380 389. The shareholders unanimously elected to re-invest the dividend.

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Issued				
Ordinary shares of no par value	**185 948 148**	**176 567 759**	**185 948 148**	**176 567 759**

12. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Financial instruments:				
Trade payables	**139 462**	471 079	–	–
Deposits received	**4 545 454**	4 236 465	–	–
Other payables	**1 603 635**	1 326 647	**24 075**	56 550
Non-financial instruments:				
Amounts received in advance	**1 381 411**	1 345 965	–	–
Value-added taxation	–	165 958	–	–
	7 669 962	**7 546 114**	**24 075**	**56 550**

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 BONDS

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
At amortised cost				
ABSA Bank Limited	**149 036 025**	154 077 827	–	–
The loan bears interest at the 3 month Jibar rate plus 2.4% per annum. Interest is payable monthly with a final capital repayment on 10 April 2024.				
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.				
ABSA Bank Limited	**3 595 420**	–	–	–
The loan bears interest at the South African prime interest rate less 1% per annum. Interest is payable monthly with a final capital repayment on 10 April 2024.				
The loan has the same security cessions as the above loan.				
ABSA Bank Limited	**39 061 775**	–	–	–
The loan bears interest at the 3 month Jibar rate plus 2.4% per annum. Interest is payable monthly with a final capital repayment on 31 May 2024.				
The following security cessions are provided:				
• Leases and rentals in respect of the property;				
• Revenues in respect of the property;				
• Claims in respect of insurance policies and proceeds.				
	191 693 220	**154 077 827**	**–**	**–**

14. REVENUE

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Property income				
Property rental income	**45 492 128**	40 196 665	–	–
Recoveries	**12 126 943**	9 414 854	–	–
	57 619 071	**49 611 519**	**–**	**–**
Revenue				
Dividends received	**–**	–	**11 930 659**	10 494 364
	57 619 071	**49 611 519**	**11 930 659**	**10 494 364**

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	**2022**	**2021**	**2022**	**2021**
Employee costs				
Salaries, wages, bonuses and other benefits	**2 220 729**	1 850 558	**–**	–
Other				
Asset management fees	**1 894 956**	1 707 052	**–**	–
Cleaning	**1 715 682**	1 618 548	**–**	–
Electricity	**6 501 489**	5 386 448	**–**	–
Rates and taxes	**3 247 372**	2 956 491	**–**	–
Rental debt forgiveness	**–**	4 400 805	**–**	–
Repairs and maintenance	**2 326 890**	1 769 383	**–**	–
Security	**2 787 042**	2 324 427	**–**	–

16. INVESTMENT INCOME

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Interest income				
Investments in financial assets:				
Bank	**28 725**	27 452	**–**	–

17. FINANCE COSTS

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Parent company	**652 580**	1 066 793	**652 580**	1 066 793
Mortgage bonds	**10 567 436**	10 775 270	**–**	–
Interest rate swaps	**1 225 538**	826 940	**–**	–
Other interest paid	**190**	5 575	**–**	–
Total finance costs	**12 445 744**	**12 674 578**	**652 580**	**1 066 793**

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

18. FAIR VALUE ADJUSTMENTS

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Fair value (losses) gains				
Investment property	**(582 410)**	(33 414 282)	**–**	–
Interest rate swaps	**1 788 602**	1 967 663	**–**	–
	1 206 192	**(31 446 619)**	**–**	**–**

19. TAXATION

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
Major components of the tax expense				
Current	**–**	–	**–**	–
Reconciliation of the tax expense				
Reconciliation between accounting profit and tax expense.				
Accounting profit (loss)	**18 595 212**	(22 270 020)	**10 745 521**	8 890 999
Tax at the applicable tax rate of 28% (2021: 28%)	**5 206 659**	(6 235 606)	**3 008 746**	2 489 480
Tax effect of adjustments on taxable income				
S25BB qualifying distribution (REIT)	**(4 686 493)**	(2 626 234)	**(3 008 746)**	(2 489 480)
Fair value adjustment on investment properties	**163 075**	9 355 999	**–**	–
Unrecognised deferred tax	**(683 241)**	(494 159)	**–**	–
	–	–	**–**	–

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.

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

20. CASH GENERATED FROM (USED IN) OPERATIONS

	GROUP		COMPANY	
	2022	**2021**	**2022**	**2021**
Profit (loss) before taxation	**18 595 212**	(22 270 020)	**10 745 521**	8 890 999
Adjustments for:				
Dividends received	**–**	–	**(11 929 413)**	(10 492 509)
Interest income	**(28 725)**	(27 452)	**–**	–
Finance costs	**12 445 744**	12 674 578	**652 580**	1 066 793
Fair value (gains) losses	**(1 206 192)**	31 446 619	**–**	–
Movements in operating lease assets	**(651 534)**	213 800	**–**	–
Movement in allowance for credit losses	**(233 653)**	1 293 206	**–**	–
Changes in working capital:				
Trade and other receivables	**2 060 807**	(2 578 419)	**–**	–
Trade and other payables	**123 848**	(2 214 118)	**(32 475)**	19 060
	31 105 507	**18 538 194**	**(563 787)**	**(515 657)**

21. RELATED PARTIES

	GROUP		COMPANY	
Figures in Rand	**2022**	**2021**	**2022**	**2021**
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	**–**	–	**43 337 597**	31 408 184
Subsidiaries	**–**	–	**(27 515 237)**	(13 893 580)
Loan account owing to parent company				
Ultimate holding company	**–**	(9 793 640)	**–**	(9 703 640)
Other receivables owing by companies under common directorships				
Companies under common directorships	**384 762**	304 762	**304 762**	304 762
Related party transactions				
Interest capitalised on loan owing to parent company				
Ultimate holding company	**652 580**	1 066 794	**652 580**	1 066 794
Asset management fees paid to companies under common directorships				
Companies under common directorships	**1 894 956**	1 707 052	**–**	–
Compensation to directors and other key management				
Short-term employee benefits	**708 244**	538 200	**–**	–

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

22. DIRECTORS' EMOLUMENTS

	2022	
Figures in Rand	**Directors' fees**	**Total**
Executive and non-executive		
Directors' emoluments		
Services as director or prescribed officer		
G C Bayly*	**166 980**	**166 980**
D J Green*	**207 304**	**207 304**
A Mohamed*	**166 980**	**166 980**
A Padayachee*	**166 980**	**166 980**

* *Non-executive director*

	2021	
	Directors' fees	**Total**
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

* *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 Proprietary Limited during the year. J W A Templeton is however a beneficiary through his indirect 33.33% shareholding in Castleview Asset Managers Proprietary Limited. R631 652 (2021: R1,042,897) of the asset management fees paid by the group to Castleview Asset Managers Proprietary Limited during the year accrued to J W A Templeton though his indirect shareholding in Castleview Asset Managers Proprietary Limited.

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

23. CATEGORIES OF FINANCIAL INSTRUMENTS

	2022			2021		
Figures in Rand	**Financial liabilities at amortised cost**	**Financial assets at fair value through profit and loss**	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Financial assets at fair value through profit and loss**	**Financial assets at amortised cost**
Group						
Assets						
Non-current assets						
Derivatives	–	3 756 264	–	–	1 967 663	–
Current assets						
Trade and other receivables*	–	–	1 762 471	–	–	3 508 626
Cash and cash equivalents	–	–	5 765 340	–	–	1 803 341
	–	–	7 527 811	**–**	**–**	**5 311 967**
Liabilities						
Non-current liabilities						
Mortgage bonds	191 693 220	–	–	–	–	–
Current liabilities						
Mortgage bonds	–	–	–	154 077 827	–	–
Loan from parent company	–	–	–	9 703 640	–	–
Trade and other payables*	6 288 551	–	–	6 034 191	–	–
	6 288 551	–	–	**169 815 658**	**–**	**–**
Company						
Assets						
Current assets						
Loans to group companies	–	–	43 337 597	–		31 408 184
Trade and other receivables*	–	–	304 762	–	–	304 762
Cash and cash equivalents	–	–	2 901 645	–	–	199 994
	–	–	46 544 004	**–**	**–**	**31 912 940**
Liabilities						
Current liabilities						
Trade and other payables*	24 075	–	–	56 550	–	–
Loans from group companies	27 515 237	–	–	13 893 579	–	–
Loans from parent company	–	–	–	9 703 640	–	–
	27 539 312	–	–	**23 653 769**	**–**	**–**

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

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

24. 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 2022 and 2021 was as follows:

- Loan to value ratio 50.63% (2020: 50.5%)

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 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.

Financial assets exposed to credit risk at year end were as follows:

		2022			2021		
Figures in Rand		**Gross carrying amount**	**Credit loss allowance**	**Carrying amount**	**Gross carrying amount**	**Credit loss allowance**	**Carrying amount**
Group							
Trade and other receivables	9	**4 341 535**	**(2 579 064)**	**1 762 471**	7 321 343	(2 812 717)	4 508 626
Cash and cash equivalents*	10	**5 761 203**	**–**	**5 761 203**	1 800 090	–	1 800 090
		10 102 738	**(2 579 064)**	**7 523 674**	**9 121 433**	**(2 812 717)**	**6 308 716**
Company							
Loans to group companies	7	**43 337 597**	**–**	**43 337 597**	31 408 184	–	31 408 184
Trade and other receivables	9	**304 762**	**–**	**304 762**	304 762	–	304 762
Cash and cash equivalents*	10	**2 901 645**	**–**	**2 901 645**	199 994	–	199 994
		46 544 004	**–**	**46 544 004**	**31 912 940**	–	**31 912 940**

* *The group is not exposed to credit risk in relation to cash on hand and it is consequently excluded from above.*

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

24. RISK MANAGEMENT (continued)

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.

During the current year, 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, the Board believes that the company's balance sheet 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.

		Less than 1 year	Between 1 and 2 years	2 to 5 years	Total
Group – 2022					
Non-current liabilities					
Mortgage bonds	13	**12 316 770**	**13 267 025**	**193 641 369**	**219 225 164**
Current liabilities					
Trade and other payables*	12	**6 288 551**	**–**	**–**	**6 288 551**
		18 605 321	**13 267 025**	**193 641 369**	**225 513 715**

		Less than 1 year	Total
Group – 2021			
Current liabilities			
Trade and other payables*	12	6 034 189	6 034 189
Loan from parent company	8	10 321,828	10 321 828
Mortgage bonds	13	155 475 370	155 475 370
		171 831 387	**171 831 387**

		Less than 1 year	Total
Company - 2022			
Current liabilities			
Trade and other payables*	12	**24 075**	**24 075**
Loans from group companies	7	**27 515 237**	**27 515 237**
		27 539 312	**27 539 312**

		Less than 1 year	Total
Company – 2021			
Current liabilities			
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
		24 271 956	**24 271 956**

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

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

24. RISK MANAGEMENT (continued)

Interest rate risk

The group's interest rate risk arises from long-term 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 2022, if interest rates on borrowings had been 1% higher/lower with all other variables held constant, post-tax profit for the year would have been R620,446 (2021: R2,012,831) lower/higher for the group, and R99,540 (2021: R210,337) 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 financial liabilities at amortised cost. 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.

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 4.

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	
	Note	2022	2021	2022	2021
Company					
Variable rate instruments:					
Assets					
Derivatives	4	**4.22%**	3.64%	**3 756 264**	1 967 663
Cash in current banking institutions	10	**4%**	3.50 %	**5 761 203**	1 803 341
				9 517 467	**3 771 004**
Liabilities					
Loans from parent company	8	**–**	6.75%	**–**	9 703 640
Mortgage bonds	13	**6.19%**	6.00%	**191 693 220**	154 077 827
				191 693 220	**163 781 467**
Net variable rate financial instruments				**201 210 687**	**167 552 471**

		Year end rates		Carrying amount	
	Note	2022	2021	2022	2021
Company					
Variable rate instruments:					
Assets					
Cash in current banking institutions	10	**4.00%**	3.50 %	**2 901 645**	199 994
Liabilities					
Loan from parent company	7	**–**	6.75%	**–**	9 703 640
Net variable rate financial instruments				**2 901 645**	**9 903 634**

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

25. 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	Derivative liabilities	Quoted swap rates and inter-bank borrowing rates	Price-not applicable
3	Investment properties	Discounted cash flow	Refer to note 3 for detail regarding assumptions

		GROUP		COMPANY	
Figures in Rand	**Note(s)**	**2022**	**2021**	**2022**	**2021**
Levels of fair value measurements					
Level 2					
Recurring fair value measurements					
Assets					
Derivatives					
Interest rate swaps	4	**3 756 264**	1 967 663	**–**	–
Total		**3 756 264**	**1 967 663**	**–**	**–**
Level 3					
Recurring fair value measurements					
Assets					
Investment property					
Pier 14 Shopping Centre and Pier 14 Living*	3	**320 651 391**	317 048 005	**–**	–
Cravenby Shopping Centre*	3	**39 178 964**	–	**–**	–
Total		**359 830 355**	**317 048 005**	**–**	**–**

* *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.

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

25. FAIR VALUE INFORMATION (continued)

Reconciliation of assets measured at level 3

Figures in Rand	Note(s)	Opening balance	Fair value losses recognised in profit (loss)	Additions	Improvements	Movements in operating lease asset	Operating lease asset acquired	Closing balance
Group – 2022								
Assets								
Investment properties	3	**317 048 005**	**(582 410)**	**36 006 009**	**2 401 453**	**651 534**	**4 305 764**	**359 830 355**
Group – 2021								
Assets								
Investment property	3	345 500 000	(33 414 282)	–	5 176 087	(213 800)	–	317 048 005

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.

26. DIVIDEND PAYABLE

A final gross dividend of 44.74000 cents per share was approved by the board of directors on 13 May 2022 in respect of the year ended 28 February 2022. The board provided shareholders with a share reinvestment alternative in respect of the dividend.

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.

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

27. SEGMENT ANALYSIS

Segment information

At 28 February 2022, 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.

2022	Retail	Residential	Administration/ other*	Total
Revenue	53 330 287	4 287 538	1 246	57 619 071
Property operating expenses	(22 156 527)	(817 546)	–	(22 974 073)
Administrative expenses	(4 495 393)	(343 566)	–	(4 838 959)
Operating profit	26 678 367	3 126 426	1 246	29 806 039
Investment income	–	–	28 725	28 725
Loss on fair value adjustment	(582 410)	–	–	(582 410)
Finance costs	–	–	(12 445 744)	(12 445 744)
Gain on interest rate swap	–	–	1 788 602	1 788 602
Profit (loss) before taxation	26 095 957	3 126 426	(10 627 171)	18 595 212
Taxation	–	–	–	–
Profit (loss) attributable to owners of the parent	26 095 957	3 126 426	(10 627 171)	18 595 212
Reconciliation of profit for the year to distributable income				–
Loss on fair value adjustment on investment properties				582 410
Headline earnings				19 177 622
Lease straight-lining adjustment				(651 534)
Gain on interest rate swap				(1 788 602)
SA REIT funds from operations				16 737 486

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

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	323 185 228	25 200 306	–	348 385 534
Operating lease asset	11 444 821	–	–	11 444 821
Derivatives	–	–	3 756 264	3 756 264
Trade and other receivables	2 143 057	–	304 762	2 447 819
Cash and cash equivalents	–	–	5 765 340	5 765 340
	336 773 106	25 200 306	9 826 366	371 799 778
Liabilities				
Mortgage bonds	–	–	191 693 220	191 693 220
Trade and other payables	7 645 887	–	24 075	7 669 962
	7 645 887	–	191 717 295	199 363 182

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

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

27. SEGMENT ANALYSIS (continued)

Segment information (continued)

2021	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 on investment properties	(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 distributable income				
Loss on fair value adjustment on investment properties				33 414 282
Total non-controlling interest effects of adjustments				(33 415)
Headline earnings				11 131 315
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 funds from operations				**9 379 406**

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

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				
Mortgage bonds	–	–	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 expenses and investment income that cannot be allocated specifically to the operating segments.*

Castleview's property portfolio consists of two properties, namely: Pier 14 Shopping Centre which is anchored by large national tenants such as Shoprite, Pep, Ackermans and Mr Price, and secondly, Cravenby Shopping Centre, which is a convenience shopping centre anchor tenanted by Shoprite.

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

28. EVENTS AFTER THE REPORTING PERIOD

A final gross dividend of 44.74000 cents per share was approved by the board of directors on 13 May 2022 in respect of the year ended 28 February 2022. The board approved a share reinvestment alternative in respect of these dividends, with all shareholders electing to reinvest the dividend.

On 1 March 2022 the directors resolved to dissolve Castleview One Proprietary Limited, a wholly-owned subsidiary owning 100% of the shares in FEC Prop Proprietary Limited through a restructure arrangement. The FEC Prop Proprietary Limited shares transferred to Castleview Property Fund Limited in two tranches of 698,005 shares and 7,309,992 shares on 1 March 2022 and 2 March 2022 respectively, resulting in Castleview Property Fund Limited now owning 100% of the shares in FEC Prop Proprietary Limited directly.

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

29. 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.

30. PER SHARE INFORMATION

	GROUP	
	2022	**2021**
Profit (loss) attributable to shareholders	**18 595 212**	(22 249 352)
Loss on fair value adjustment - investment properties	**582 410**	33 414 282
Total non-controlling interest effects of adjustments	**–**	(33 415)
Headline earnings	**19 177 622**	11 131 515
Lease straight-lining adjustment	**(651 534)**	213 800
Gain on interest rate swap	**(1 788 602)**	(1 967 663)
Total non-controlling interest effects of adjustments	**–**	1 754
SA REIT funds from operations	**16 737 486**	9 379 406
Number of shares in issue	**37 411 169**	35 264 627
Weighted average number of ordinary shares in issue	**36 770 147**	34 863 677
Earnings per share (c)	**50.57**	**(63.82)**
Headline earnings per share (c)	**52.16**	**31.93**
SA REIT funds from operations per share (c)*	**44.74**	**26.60**
Net asset value per share (c)**	**460.92**	**436.70**
Distribution per share (c)	**44.74**	**26.60**

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

* *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.*

** *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 interest.*

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, 22 July 2022 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 2022;
- 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	2022
Record date for purposes of receiving this notice:	Friday, 20 May
Last day to trade in order to be eligible to participate in and vote at the annual general meeting:	Tuesday, 12 July
Record date for purposes of voting at the meeting ("voting record date"):	Friday, 15 July
Annual general meeting held at 12:00 on:	Friday, 22 July
Results of annual general meeting released on SENS on:	Friday, 22 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: RE-ELECTION OF ASHRAF MOHAMED AS A DIRECTOR

Mr Ashraf Mohamed 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 Ashraf Mohamed 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 Ashraf Mohamed 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.

2. ORDINARY RESOLUTION NUMBER 2: RE-ELECTION OF AVESH PADAYACHEE AS A DIRECTOR

Mr Avesh Padayachee 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 Avesh Padayachee 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 Avesh Padayachee 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.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

3. ORDINARY RESOLUTION NUMBERS 3.1 TO 3.3: RE-APPOINTMENT OF MEMBERS OF THE AUDIT AND RISK COMMITTEE

3.1 Ordinary resolution number 3.1

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 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.

3.2 Ordinary resolution number 3.2

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.

3.3 Ordinary resolution number 3.3

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, but subject to the passing of ordinary resolution number 2 above, 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.

4. ORDINARY RESOLUTION NUMBER 4: RE-APPOINTMENT OF AUDITORS

"Resolved that Nolands Inc., together with Mr Ferdinand Cloete, 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.

5. 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 provided that if the Company undertakes an equity raise via a bookbuild process, shares may be allotted and issued to 'related parties' on the basis that such 'related parties' may only participate in the equity raise at the maximum bid price at which they are prepared to take-up shares or at the book close price in accordance with the provisions contained in paragraph 5.52(f) of 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.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

6. ORDINARY RESOLUTION 6: 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.

7. 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 2022 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 13 of the integrated annual report of which this notice forms part.

8. 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 2022 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 13 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.

9. 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.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

10. 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;

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 32.
- Capital structure of the company – page 52 (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 2022 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.

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

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

11. 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 2022 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	R173 796 per annum
3.2	Member of the board	R173 796 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.

12. ORDINARY RESOLUTION NUMBER 7: 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 6, 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.

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, 20 July 2022 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.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS (continued)

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 15 July 2022 (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 22 July 2022 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: Re-election of Ashraf Mohamed as director			
Ordinary resolution number 2: Re-election of Avesh Padayachee as director			
Ordinary resolution number 3: Re-appointment of the members of the audit and risk committee:			
3.1 Gregg Bayly (chairperson)			
3.2 Ashraf Mohamed			
3.3 Avesh Padayachee			
Ordinary resolution number 4: Re-appointment of auditors			
Ordinary resolution number 4: General authority to issue shares for cash			
Ordinary resolution number 6: 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 7: 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 ______________________________ 2022

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.

FORM OF PROXY

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, 22 July 2022, 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, 20 July 2022, 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

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 2022
Announcement of annual results	31 May 2022
Integrated report released	31 May 2022
Annual general meeting	July 2022
Announcement of interim results	October 2022

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)
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

Designated advisor
Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196
(PO Box 522606, Saxonwold, 2132)

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 Inc
Registered Auditors, Practice Number: 900583e
Noland House, River Park, River Lane, MOWBRAY 7700

Transfer secretaries
JSE Investor Services 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 A Erasmus Chartered Accountant (S.A.)
Issued	31 May 2022

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2022

A. ADOPTION OF BEST PRACTICE RECOMMENDATIONS

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

	2022 R	2021 R
Profit or (loss) per IFRS Statement of Comprehensive Income (SOCI) attributable to the parent	18 595 212	(22 249 352)
Adjusted for:		
Accounting/specific adjustments	(1 857 726)	31 660 419
Fair value adjustments to:	(1 206 192)	31 446 619
– Investment property		
– Derivatives		
Depreciation on property, plant and equipment	–	–
Straight-lining operating lease adjustment	(651 534)	213 800
Other adjustments	–	(31 661)
SA REIT FFO	16 737 486	**9 379 406**
Number of shares outstanding at end of period (net of treasury shares)	37 411 169	35 264 627
SA REIT FFO per share (cents)	44.74	26.60
Dividend per share (cents)	44.74	26.60

SA REIT Net Asset Value (SA REIT NAV)

		2022 R	2021 R
Reported NAV attributable to the parent		172 436 596	154 000 054
Adjustments:			
Dividend to be declared		–	–
Deferred tax		–	–
SA REIT NAV	A	172 436 596	**154 000 054**
Shares outstanding			
Number of shares in issue at period end (net of treasury shares)		37 411 169	35 264 627
Effect of dilutive instruments (options, convertibles and equity interests)		–	–
Dilutive number of shares in issue	B	37 411 169	35 264 627
SA REIT NAV per share	A/B	4.61	**4.37**

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2022

A. ADOPTION OF BEST PRACTICE RECOMMENDATION (continued)

SA REIT cost-to-income ratio

		2022 R	2021 R
Expenses			
Operating expenses per IFRS income statement (includes municipal expenses)		**22 974 073**	23 997 609
Administrative expenses per IFRS income statement		**4 838 959**	3 790 185
Exclude :			
Rental discounts granted		**–**	(4 400 805)
Operating costs	A	**27 813 032**	23 386 989
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**45 492 128**	40 196 665
Utility and operating recoveries per IFRS income statement		**11 474 162**	9 414 854
Gross rental income	B	**56 966 290**	49 611 519
SA REIT cost -to-income ratio	(A/B)	**48.8%**	47.1%

SA REIT administrative cost-to-income ratio

		2022 R	2021 R
Expenses			
Administrative expenses as per IFRS income statement		**4 838 959**	3 790 185
Administrative costs	A	**4 838 959**	3 790 185
Rental income			
Contractual rental income per IFRS income statement (excluding straight-lining)		**45 492 128**	40 196 665
Utility and operating recoveries per IFRS income statement		**11 474 162**	9 414 854
Gross rental income	B	**56 966 290**	49 611 519
SA REIT administrative cost-to-income ratio	(A/B)	**8.5%**	7.6%

SA REIT GLA vacancy rate

		2022	2021
Gross lettable area of vacant space (sqm)	A	**1 891**	2 731
Gross lettable area of total property portfolio (sqm)	B	**32 991**	29 690
SA REIT GLA vacancy rate	(A/B)	**5.7%**	9.2%

ANNEXURES TO THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 28 FEBRUARY 2022

A. ADOPTION OF BEST PRACTICE RECOMMENDATION (continued)

SA REIT loan-to-value

		2022 R	2021 R
Gross debt		**191 693 220**	163 781 467
Less:			
Cash and cash equivalents		**(5 765 340)**	(1 803 341)
Add/Less:			
Derivative financial instruments		**(3 756 264)**	(1 967 663)
Net debt	A	**182 171 616**	160 010 463
Total assets - per Statement of Financial Position		**371 799 778**	325 327 635
Less:			
Cash and cash equivalents		**(5 765 340)**	(1 803 341)
Trade and other receivables		**(2 447 819)**	(4 508 626)
Derivative financial instruments		**(3 756 264)**	(1 967 663)
Carrying amount of property- related assets	B	**359 830 355**	317 048 005
SA REIT loan- to-value ("SA REIT LTV")	A/B	**50.6%**	50.5%

SA REIT COST OF DEBT

	2022	2021
Variable interest rate borrowings	**6,0%**	6,4%
Floating reference rate plus weighted average margin	**6,0%**	6,4%
Fixed interest rate borrowings		
Weighted average fixed rate	**0%**	0%
Pre-adjusted weighted average cost of debt	**6,0%**	6,4%
Adjustments:	**1,0%**	1,2%
Impact of interest rate derivatives	**1,0%**	1,2%
Amortised transaction costs imputed into the effective interest rate		
SA REIT all-in weighted average cost of debt	**7,0%**	7,6%

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